Way to grow!

Collaborative branding model for small design enterprises

Master's Thesis

Jenni Seppä

Aalto University | School of Arts, Design and Architecture | Department of Design | Industrial and Strategic Design

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Aalto University, P.O. Box 11000, 00076 Aalto
www.aalto.fi
Master of Arts thesis abstract

Author	Jenni Seppä
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Abstract

This master's thesis is about creating collaborated house brands for small design enterprises. The purpose is to help small design brands collectively build their distribution channels to reach mass markets. Many small design brands struggle with lack of marketing and selling skills, face difficulties to build distribution channels, and are lacking of adequate resources. For this all, designers need support and, consequently, collaboration is suggested to be one solution. However, the existing design collaboration models are not meant for reaching mass markets. To facilitate building of the distribution channels, possibilities to collaborate in terms of branding were studied. In this thesis, the concept of collaborated house brand is introduced. Because of the house brand, the retailers could consider the collaboration of small design brands as one 'company'. That would reduce the selling and marketing tasks of small design brands and enable the growth.

The main aim for this study was to find an eligible branding strategy for establishing collaboration between small design brands. Moreover, there was a need to understand how to build and manage the collaboration. Another concern was in which ways the brand building process would be facilitated. Consequently, because such models did not exists in the context of small design brands, the grounds for the model were built on parallel existing theories and using interviews of the practitioners as a support. As a result, a five-stage model was created and a visualized tool to support implementation of the brand building process. The visualized tool is for to start building collaborated house brands and provide a platform to process the five stages. In this way, the designer-alike way of working with illustrations, sketches, and models was embodied to the model.

Keywords design entrepreneurship, brand collaboration, brand alliance, joint brand, visualized tool

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Aalto University
School of Arts, Design and Architecture
Department of Design
Industrial and Strategic Design

Tutor: Oscar Person
Advisor of academic writing: Aini-Kristiina Jäppinen

Photographs: Jenni Seppä
Layout and graphics: Jenni Seppä

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1. Introduction

Many designers end up having an own design brand since it seems to be an attractive career choice (Tarjanne, Jokinen, Ylätalo, Lamberg & Möller 2011). An own design brand provides significant amount of freedom to produce one's own designs. Nevertheless, the freedom can become a burden as it seems that many design entrepreneurs run into challenges when marketing and selling their products. These demanding tasks include improving the products' price structure, promoting and advertising, selling, and convincing the retailers, only to name a few. In addition, these tasks are often intended to be done without adequate skills and investments (Winkel 2012). Based on my own experience as an owner of a design brand, one of the first challenges is to find suitable distribution channels. Another challenge is to get the retailers and resellers to collaborate with unknown small design brands. Specialized design shops are mainly the ones to collaborate with small design brands, yet mass markets often remain out of the reach. To collaborate with larger retailers would support to reach mass markets. That would help in reaching greater availability and visibility. However, larger retailers rather work with large brands. Well-known brands with high brand equities are less risky to work with and have stabilized their market positions, which gives them credibility and secures the flow of income for the retailer.

So, how to get the large retailers to believe in small design brands and to start working with them? My hypothesis is that to be able to compete with well-known brands and to achieve credibility in the eyes of the retailers, small design brands need to collaborate. Collaboration is quite common among small design brands, as a way to make direct sales or promote the brands. Yet, they seem to lack mutual integration and branding. In general, collaboration joins the forces and resources, and enhance the efficiency of the brands involved. Furthermore, branding of collaboration opens up new opportunities to represent the collaboration as an entity. Collaboration provides diversity, while branding the collaboration communicates unity. As a result, by branding their collaboration - the collaborated house brand - small design brands can discover new possibilities to multiply their sales, become more efficient, and enable growth. But how such collaborated house brands could be created and managed?

In this MA thesis, I address the above mentioned issues which many designers face when they become owners of their own brand. First, I will draw on literature review that will provide the base for the collaborated house brand. Second, I draw on my own experience as a design brand owner, as well as from interviews of other small design brands and retailers. The overall objective is to integrate these different insights into a model of collaborated house brand to help small design brands in joining forces when breaking through to the mass markets.

1.1. Design brand ownership as a career path

In 2009 I established a trade name Chosen Design, to work as a freelancer. At that time, I had no intentions to run a design company. I had earlier designed a silver jewelry for another company, yet the rights of the reproduction of the design had remained mine. As a coincidence a relative of mine, a graduating marketing student saw my portfolio and spotted potential in the jewelry I had designed. With no earlier experience of marketing design jewelry, we decided to give it a chance.

Soon after the beginning we realized that the product itself was not enough, but it would need a set of other features to promote. We captured the insights behind the product design process and turned it into a story. The story itself was visualized and compressed into a brand image and a slogan. Promotion materials, leaflets, jewelry cleaning cloths, websites and so on were put in line with the product itself to communicate a coherent brand image. Soon we understood that the jewelry could not *stand alone but would need a supporting product family. So, the jewelry was companied with three more pieces in complementing each other and creating a solid entity. Also the packaging was designed from the scratch in order to differentiate it from the competitors and to strengthen the image of innovativeness. When the product was ready to be launched to the markets we realized that instead of just trying our wings with a ready designed jewelry with small risks, we had created a whole new design brand. I had become a design entrepreneur without earlier visions or experiences.*

Chosen Design was well received by the leading design jewelry shops in Finland and appreciated for the differentiated and fresh brand image. Although, it soon revealed to me that it was not enough. There were more retailers interested in selling my products that I was able to work with, since I was only offered trading account contracts. Trading account contracts are a norm when working with specialized design shops when the brand is still unknown. With the contracts, the stocks are owned by the designer until the products are sold to the customers. Retailers will not own the stocks at any point but they do have the products in their own storage. It is a risk-free and cheap solution for retailers who have no money invested in the products they sell; but it is a heavy load for a producer. Every new retailer means investing in new stocks, without promises that the investments would soon return to the designer. In addition, the markets which small design shops are operating in are quite marginal. This means that the quantities sold are also quite marginal and the mass markets remain out of the reach.

When building the distribution channels with Chosen design, dozens of retailers would have been needed if I would have wanted to sell enough. Nevertheless, this would have been impossible to invest in and manage.

A micro-company, in which the designer is normally doing the management and marketing efforts besides the product development tasks, has limited resources available for distribution channel management. As the number of the retailers grow, the amount of work dedicated to managing the logistics, orders, billing, etc., grows in the same proportion. Altogether, larger retailers or resellers would have been needed in order to reach better volumes on sales. The retailers and resellers also typically buy the stocks they sell, and also invest in marketing the brands they present. They are also forced to get engaged with the brands because of the risks involved. If they do not sell the products, they will be left with the unsold stock. However, only very few small design brands have their products sold by larger retailers, while the rest keep on struggling with trading account contracts.

1.1.1. Challenges to cross the design chasm

My experiences as a design entrepreneur in establishing Chosen Design and in getting my products distributed are not unique. As Winkel (2012) notes, many design brands face the same problems. Winkel argues, that in overcoming these problems designers with an own design brand need to perform simultaneously three roles to overcome 'the design chasm': art manager, investor and manager roles. According to Winkel, the roles are so differentiated and complicated that almost no designer is able to individually fulfill them all. Moreover, most of the design entrepreneurs seem to have little, if any, marketing and business management skills to profitably run their businesses. Oja (2011) confirms this claim in his recent study about collaboration in creative industries. According to Oja, creative businesses often suffer the lack of marketing and selling skills. Accordingly, many creative businesses reaffirmed collaboration to be essential especially for satisfying those needs.

1.2. Purpose of the thesis

The purpose of this MA thesis is to develop a model of collaborated house brand to support small design brands to reach mass markets. Since entering mass markets is demanding for small design brands, the goal can be achieved by sharing marketing and selling efforts in order to build new distribution channels. Therefore, collaboration becomes important because accumulating capacities of partnering design brands. In other words, if small design brands are too small when functioning alone, they need to join to become more powerful. Respectively, the collaboration allows marketing tasks to be divided between the partners. Instead of conducting multiple marketing and selling efforts simultaneously, the efforts can be integrated. That reduces each designer's time, dedicated to marketing and selling their products. Also, the fact that designers are no more just representing themselves, might give them extra courage needed to offer their products to more influential retailers and resellers. Furthermore, in the context of collaboration, branding becomes important when aiming at communicating coherence and unity. When collaboration offers diversity in brands, skills, resources, and offerings of the partners, the mutual joint brand offers the size and strength needed.

With a model of collaborated house brand, small design brands can communicate fluidity and integrity between multiple partners. This becomes essential when aiming at building joint distribution channels. By branding the very collaboration, it becomes possible to represent all the individual design brands as one entity. This eases the relationships with retailers, resellers and other possible partners. The final model will also include instructions how to turn the theoretical model into a visualized tool. The tool is intended to be used when designers are actually starting their own collaboration and creating their joint brand. Respectively, the tool is meant to be a platform for brand building process and a discussion board. It brings the written collaboration model into a tangible form by regarding the designer-alike way of working.

1.3. Contribution of the thesis

Collaboration between small design brands are quite common in Finland. Yet, they are mostly started because of practical needs (Oja 2011). Therefore, just some of the collaboration benchmark others, while most are started without ready-made models. In addition, there are no existing collaboration models to enter mass markets or to organize the basics of the brand collaboration. Instead, a typical collaboration is mainly aiming at sharing showroom or arraigning events together. Such collaboration are The Cooperative of Artisans, Designers and Artists in Fiskars (www.onoma.org) and Helsinki Design Week (www.helsinkidesignweek.com). Some of the collaboration are also focusing in sharing promotion campaign costs and selling their products collectively. However, these collaboration typically focus on establishing retail stores, arraigning design markets, or other ways making direct sales. An example of this kind of collaboration is Turku Design Now collective (www.turkudesignnow.fi) which includes some well-known design brands like Tonfisk Design (shop.tonfisk-design.fi) and Klo Design (www.klodesign.fi). Correspondingly, Internet marketplaces like Etsy (www.etsy.com) and MadeBy (www.madeby.fi) are mainly focused on limited market segments and provide just some visibility for design brands. Besides, they are only serving those designers who produce handcrafted goods and are therefore not suitable for most of the products aimed to mass markets. Therefore, new models to collaborate are still needed.

Thus, there is a need for this kind of study, but why a designer should do a master's thesis on branding? Why not to leave it for the economists to whom the territory belongs to? The answer lies in the empirical understanding of the problem. Marketing people cannot have the same specific knowledge of the business circumstances in which design entrepreneurs work within, since marketers are mere observers. As an insider, I could more easily target the core questions and understand the frame of reference in which the study is to be conducted. As a designer I also have an advantage, in comparison with the marketing people, in how to present the findings in a visual form. The way designers are taught to think, approach problems, and come up with new solutions has significant disparity with those of economists (Winkel 2012).

1.4. Research questions

In understanding what branding collaboration requires and what it represents in the context of small design brands, the following questions are addressed in this thesis:

How to build and brand a collaboration of small design brands?

- What constitutes the most appropriate model for branding the collaboration between small design brands? And, how could such a collaboration and joint branding effort be created and managed?

- How should the model be presented to best fit the work practices of designers?

1.5. Thesis structure

This master's thesis is multidisciplinary in its nature, in merging theories of collaboration, branding strategies and brand alliances with action research. Koskinen, Zimmerman, Binder, Redstrom & Wensveen (2011, 83) define action research as a study method ”where the goal is to use knowledge gained by studying a group or community in order to change it”. Respectively, Reason and Bradbury (2006, 2) argue that action research ”seeks to bring together action and reflection, theory and practice, in participation with others, in the pursuit of practical solutions to issues of pressing concern to people, and more generally the flourishing of individual persons and their communities".

In this study, action research is understood to define a research method that allows the theoretical knowledge, gained by studying existing literature, to be processed through practical needs. This means, that my own experience as a design brand owner as well the opinions of practitioners themselves are considered when processing the model. Therefore, the research will first be conducted by reviewing existing research literature on collaboration, brand architectures and brand alliances. The findings will then be turned into a rough model of collaborated house brands, which will be elaborated through an empirical study with the practitioners to fine tune the concept. As a result, a new collaborative branding model is presented at the end of the thesis to offer small design brands new ways building their distribution channels (Figure 1).

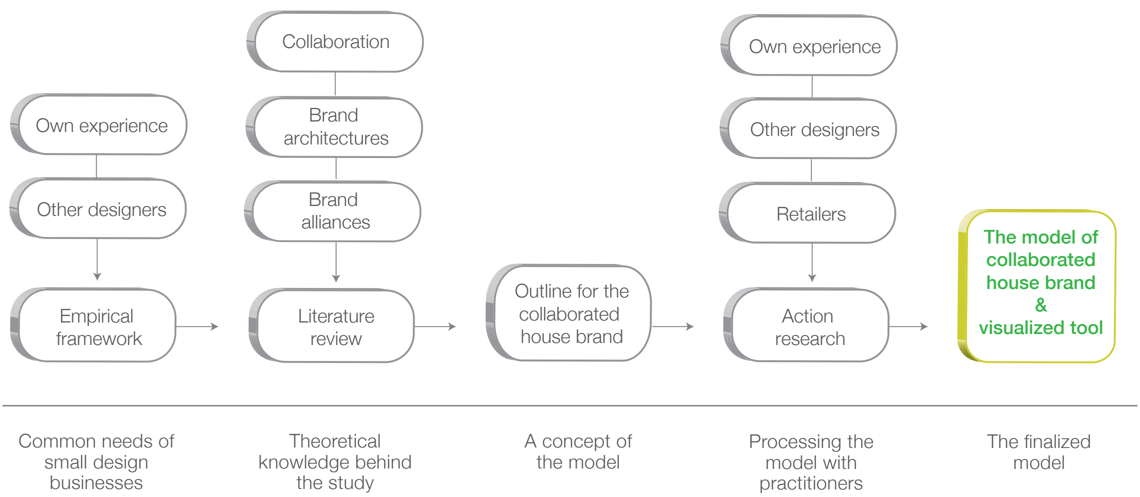


Figure 1 - An illustration of the workflow

The reason for not to study existing collaborated design house brands is due to the fact that there does not exist such ones. Consequently, the most fundamental topic in my thesis, that is, how to create new collaborated design brands on a corporate brand level, has no explicit research literature either. As a result, my theoretical framework is created by combining the knowledge of collaboration, brand architectures and brand alliances (Chapter 2. Reviewing collaboration and branding strategies). Based on the literature review, I create an outline for the collaborated house brand model (Chapter 3. Collaborated house brand in theory). The model is then presented to the practitioners (retailers and owners of small design brands). By interviewing the practitioners the practical relevance of the model is assessed (Chapter 4. Processing the theory with practitioners). The findings from the interviews is then used to clarify and finalize the model, as well as provide guidelines for implementing it (Chapter 5. The finalized model of collaborated house brand).

The finalized model includes instructions how to start, build and manage collaborated house brands. Besides the theoretical model, the creation of collaborated house brands is presented as a visualized tool. By introducing the visualized tool, the designer-alike way of working with sketches, creating tangibles, as well as building prototypes is taken into account. The tool will not replace the need for explaining literally the creation of collaborated house brands but it modifies the process more suitable for designers. Furthermore, the visualized tool provides a platform to create and elaborate new joint brands, and is essential when actually starting new collaborated house brands in real design business contexts.

2. Reviewing collaboration and branding strategies

When searching for existing literature of brand alliances, I realized quite soon that there was no exact research literature addressing my research topic. All the research I found of brand alliances was observing collaborated brands (co-brands) as brand extensions (Leuthesser, Kohli & Suri 2003; Washburn, Till & Priluck 2000), or merging the corporate brands into one brand merger (Chang 2009; Knudsen, Finskud, Törnblom & Hogna 1997). Neither of the two ways to create joint brands still provided direct answers to my core question: how to build and brand a collaboration for small design brands.

Since the aim for this study is to create a new model for branded collaboration in the case of small design enterprises - which is lacking exact theoretical backgrounds - the new theoretical grounds need to be created. To get a comprehensive understanding about the factors effecting brand collaboration on a corporate brand level, I will review literature from the following topics:

- Collaboration
- Brand architectures
- Brand alliances

By reviewing collaboration literature, the overall advantages and challenges of collaborative acts can be understood. The objective with the brand architectures is to understand the relationships between the brands within a brand portfolio. In particular, to understand how individual design brands and collaborated house brands can be interlinked. The literature of brand architectures is mainly concentrating on brand relationships in an organization. Although the design brands in this study are linked to each other through collaboration, the basic relationship between the brands is still quite similar. Equally, by studying brand alliances, the possibilities to join different brands, name joint brands, as well as the relationships between brands in alliances can be studied.

2.1. Collaboration

Reviewing collaboration is an important part of the study since it builds the foundation for understanding the principals of how collaborated house brand could be created and managed. The possibilities for collaboration to succeed heavily depends on the management of the collaboration and amount of knowledge of collaborative inertia (Huxham & Vangen 2005). Therefore, the basic characteristics of collaboration, as well as its advantages and disadvantages, are to be reviewed. Although collaboration literature is mainly considering larger collaborations with complex structures, I aim at reviewing knowledge related to small collaborations happening in between just some companies.

2.1.1. Collaborative advantage

Networks are everywhere. Researchers have argued that modern markets demand collaboration, and companies cannot survive alone anymore (Gibbs & Humphries 2009; Miles, Miles & Snow 2005). Based on the study conducted by Economist Intelligent Unit (2006), 95% of companies were engaged in some kind of collaboration with another organization. According to Mattessich and Monsey (2001), collaboration can be defined as "a mutually beneficial and well-defined relationship entered into by two or more organizations to achieve common goals". The core idea of collaboration is therefore to create value that cannot be created by separated companies (Gibbs & Humphries 2009). Through collaboration, companies are not limited to their own resources and expertise but can benefit from collective knowledge. The main benefits of collaboration, according to Huxham and Vangen (2005) and Mattessich and Monsey (2001), are:

- Access to resources (financial resources, human resources, technology, expertise)
- Shared risk (consequences of failure are too high)
- Reduce expenses (rent, technology, support services, etc.)
- Efficiency (economies of scale, operational efficiency)
- Co-ordination and seamlessness (to provide range of services via single customer entry point)
- Learning (from each other and mutually)
- The moral imperative (there is no other way)

2.1.2. Collaborative inertia

Some of the most frequent challenges in collaboration are to find common goals, power issues, trust building, partnership-fatigue, change in contexts, and control not being in the members' hands (Huxham & Vangen 2005). Collaborative inertia happens when the collaboration ends up before achieving the common goals (Huxham 2003). However, not all collaboration fail just because the outcomes turn to be negligible, but they may end also because the rate of output is extremely slow. Collaboration is therefore exposed to serious risks, since more than half of them fail before achieving initial aims (Kleindorfer et al. 2009, Dyer, Kale & Singh 2001). Therefore, it is suggested not to collaborate if the goals for the collaboration could be achieved individually (Kleindorfer et al. 2009). Huxham and Vangen (2005) have though argued that good understanding of tensions underlying collaboration practice increases possibilities to succeed.

2.1.3. Doing collaboration

Considering the findings of Thomson and Perry (2006), the antecedents (needs for collaboration) and the outcomes (benefits of collaboration) are thoroughly researched, but the process (doing collaboration) is less studied. The process component is called 'black box' and divided into five dimensions: governance, administration, autonomy, mutuality, as well as trust and reciprocity. Thomson and Perry (2006) are not the only ones to study the elements affecting the outcomes of collaborative actions. Respectively, Huxham and Vangen (2005) have argued that there are multiple themes which require proper management for collaboration to succeed. The most important of those themes are common aims, power, trust, membership structure, and leadership (Huxham 2003). In the following headings, I am merging the findings of multiple studies, while using the themes of Huxham and Vangen as a platform to merge the knowledge.

Common aims

Common aims are said to be the starting point for all collaborative acts (Huxham 2003, Mattessich & Monsey 2001). They are public statements about what the collaborative organizations are aspiring to achieve together (Huxham & Vangen 2006). Finding the common aims is yet often difficult, because of the multiplicity in organizational and individual agendas that are present in collaborative situations. Although collaborative advantage is drawing synergy from differences (sources, expertise), the differences may also cause problems. Therefore, common aims are difficult to achieve due to different reasons of being involved, seeking of different outputs, personal interests, etc. (Huxham & Vangen 2006). Besides common aims, each organization involved in collaboration has its own aims, as do the individuals participating in the collaboration. The organizational and individual aims may have a strong impact on motivation to collaborate, but might not align with common aims. The complexity of different aims, which some should be incorporated to common aims and some should be excluded, makes the process difficult to achieve. Therefore, Mattessich and Monsey (2001) have highlighted the need for compromise and communication. The decisions within the collaboration efforts might not perfectly fit to every member's preferences. Nevertheless, Huxham and Vangen (2006) argue that the question is not so simple. Although participants would be willing to compromise in finding the shared goal, the aims being visible, hidden, not recognized or assumed, makes the task even more difficult. Hence, without common aims there cannot exist collaboration. Nevertheless, Huxham (2003) suggests that in many situations it is best to start the collaboration, although participants would not fully agree the aims. Mattessich and Monsey (2001) add that the goals need also to be reasonably achievable. Unrealistic aims easily lead the collaboration to failures (Thomson and Perry 2006).

Power

The allocation of power is essential for collaboration relationships. Unbalanced power effects on credit recognition, control of territory, and control of collaborative agendas (Huxham & Vangen 2006). Although often misunderstood, the stakeholders that are holding on funds are not the only ones to have power in collaboration. Even those who feel not to have power over the collaboration, are normally holding at least on the 'power of exit' (Huxham 2003; Huxham & Vangen 2006). Huxham (2003) have named the 'points of power' to be the situations where the power is used. Those points form together the power infrastructure. Power infrastructure includes various decisions, i.e. naming the collaboration, choosing the members, forming group identity, bringing people together, managing meetings, meeting agendas, and meeting follow up. Power within collaboration can be used in many ways, such as controlling others for mutual gain or transferring power to other parties. Therefore, the ones holding the power can guard their position by several ways: they have something that the others need (resources, skills, information, etc.), the collaboration is more important for the partner, or they have a stronger position another way (formal authority, network centrality, etc.) (Huxham & Vangen 2006).

Trust

Trust, reciprocity, and reputation are the core elements for successful collaboration (Thomson & Perry 2006). Although trust is a precondition for a successful collaboration, there is normally more suspiciousness than trust in the beginning of the process (Huxham 2003; Huxham & Vangen 2006). Kleindorfer and others (2009) note the same phenomenon by arguing that opportunistic behavior is one of the main reasons for alliances to fail. Hence, many researchers agree that trust is often lacking in the beginning. Therefore, trust building actions are required (Huxham & Vangen 2006; Huxham 2003; Thomson & Perry 2006). Thomson and Perry (2006) argue that collaboration cannot be rushed. Instead, trust building requires willingness to invest excessively ones time with low productivity. Huxham and Vangen (2006) argue the same by creating a concept of trust building loop. The trust building loop indicates that to build trust, partners need to start the collaboration with modest but realistic aims which are likely to succeed. Through achievements the trust can be reinforced for more ambitious collaboration.

Membership structure

The lack of explicit roles and responsibilities is one of the characteristics of collaboration. Since traditional hierarchy of an organization is absent, administrative structures and clear roles must be created (Mattessich & Monsey 2001; Thomson & Perry 2006). Without clear roles, the collaboration structures are often too ambiguous, affecting that the members do not know who their partners are and what are their positions (Huxham 2003). Besides ambiguity, collaboration is often complex because many organizations are involved in multiple collaboration which might be even interconnected as a network (Huxham 2003). Besides that the management of collaboration is difficult, due to its ambiguity and complexity, it is also dynamic. This means that the collaborative structures are continuously shifting. That is to say, that new members may change the common aims of the collaboration, and in this way influence a need for new members, which in turn may lead existing ones dropping off or changing their positions (Huxham 2003).

Although the membership structures cannot be completely bypassed, the ambiguity and complexity issues seem to remain outside of the context for collaborated house brands. These collaborative acts are most likely rather simple, including just few small companies or individuals. However, it does not trivialize the importance of clear roles and shared responsibilities, yet it eases the management of collaborated house brands.

Leadership

Many researchers note that collaboration needs a coordinator or manager (Mattessich & Monsey 2001; Thomson & Perry 2006). Nevertheless, Huxham and Vangen (2006) argue that leadership issues are more complex. According to them, leadership is a mechanism, not a role, that makes things happen within collaboration. Therefore, leadership activities can also be shared. Based on their research, leadership can be enacted either through structures, processes, or participants, although these are often not controlled by the collaborative members. Collaboration can be steered towards the wanted direction within the 'spirit of collaboration' or through collaborative thuggery. The spirit of collaboration includes embracing, empowering, involving, and mobilizing members. Collaborative thuggery involves manipulating and playing politics (Huxham 2003). Although collaborative thuggery seems to be something to be avoided in collaborative contexts, it has been sometimes proven necessary to get things to happen. Therefore, a successful leader knows how to continually switch between the spirit of collaboration and collaborative thuggery, carrying out both types of leadership in the same act (Huxham & Vangen 2006).

2.1.4. Summary

As mentioned, not all things reviewed in collaboration literature are relevant in the context of developing a model for collaborated house brand for small design brands. The main reason for this is that collaboration here is less multiform than collaboration in general, and the companies involved are rather small. Moreover, there are no outsider stakeholders who demand that these companies should collaborate. In this way, collaboration is made completely voluntary. Hence, collaboration cannot succeed without management and understanding of the factors influencing the outcome. Those factors are mutual understanding of common aims, trust building, power allocation, finding right partners, managing changes in relationships, and leadership activity questions. These factors will be analyzed in the context of collaborated house brands for small design brands in Chapter 5 (The finalized model of collaborated house brand).

2.2. Branding an organization

Brands have been argued to be the most valuable assets of companies (Davis 2002). According to Kotler, Keller, Brady, Goodman and Hansen (2009) the importance of branding lies in its ability to distinguish the company and its offerings from its competitors. Alternatively, brands can be seen as a holistic, emotional, and intangible experience. Brands have the customer's goodwill embodied to it, and it is continuously managed by the company to urge customers to see it in the way the company wishes it to be seen (Kotler et al. 2009). Therefore, the value of a brand does not lay on tangible assets, but in the minds of potential customers. All the attempts to shape customer's perceptions of the company and its offerings is called branding (Aaker 2001). Brands include the customer's goodwill, because successful brands embody unique and sustained added values. Consequently, house brands - corporate brands, master brands, umbrella brands, family brands - represent the organization behind the brand, by providing credibility and security. The house brand defines the firm that will deliver and stand behind the offering that the customer will buy and use (Aaker 2004).

Branding affects all the business relationships that the company has. According to Kapferer (2008, 152) the marketing has switched off from B to C marketing to B to B to C. The notion is certainly true for design brands, since such brands need to convince not only customers but also the whole chain of distribution. In the process of entering mass distribution, retailers and resellers need to be persuaded why to represent one brand over another. Nevertheless, according to Kapferer (2008), the retailer is not just a transporter, stockiest, dispatcher, or wholesaler but instead the retailer needs to be perceived as a partner. Wholesalers do not just stock a brand but they represent it and are also committed to it. They expect that the company name behaves like a brand, providing guarantee, innovation, services with added value, communication and networks. Branding gives value to the client and companies can move away from competition on price (Kapferer 2008).

If branding a company has been argued to be important, so is branding the collaboration as well. Like in typical business activities a company brand represents the organization; in the design collaboration model the collaborated brand would in this thesis represent the individual design brands. Altogether, from the retailers side, the situation looks quite similar. The wholesalers will be primarily partnering with the collaboration, not with the design brands behind it. Therefore, branding a collaboration should not be bypassed and undervalued, but valued respectively as branding companies has been valued formerly.

2.3. Brand portfolio management

The brand structures and brand architectures become one of the most important aspects when searching how multiple individual design brands and a collectively owned house brand should be interlinked. Structuring and managing the brand portfolio is not only important for collaborated house brands but represents a major challenge for businesses nowadays (Kotler, Pfoertsch & Michi 2006.) The brand portfolios are often complex, involving many brands, sub-brands, and endorsed brands among brand extensions. This kind of multiplicity in brand portfolios highlights the importance of good management of the entity, that is, why the discipline of 'brand architecture' has been created (Aaker & Joachimsthaler 2000). Consequently, by studying brand architectures the roles and relationships within branded design collaborations can be studied.

Aaker & Joachimsthaler (2000) argue that a typical misassumption when creating an optimal brand architecture is the expectation that despite the common brand name there could be different brand identities and positions in every context the brand is operating. That misassumption is understandably wrong since many conflicting brand identities create brand anarchy. The other misassumption is that a single brand identity would work through many contexts. In most cases, the actual need would instead be a limited number of brand identities that share common elements (Aaker & Joachimsthaler 2000). These two misassumptions address the need to have a right balance between coherence and differentiation. The coherence in a brand portfolio implies an overall suitability between different brands. Instead, the differentiation highlights the need for the brands to be clearly separated from each other. Respectively, balancing between coherence and differentiation is essential for collaborated house brands, since the alliance represents differentiated design brands that needs to be joined to become one seamless entity.

2.3.1. Brand architecture

The brand architecture determines the relationships between the brand, the corporation, and its products and services (Kotler et al. 2006) The aim with brand architecture design is to create clarity, synergy, and leverage on complex brand portfolios (Aaker & Joachimsthaler 2000). When brand architecture is well designed, the overall brand entity is also functioning. Therefore, the relationship between the system and the brands can become mutual by each brand member supporting another. As Kapferer (2008, 349) states, the brand architecture is not a technical problem but a strategic one. According to Aaker and Joachimsthaler (2000), the strategy heavily depends on the type of business, industry, social and economic environment, and customer perceptions in which the company operates. Therefore, the brand architecture needs to be reviewed and constantly managed, especially when adding new brands or products to the brand portfolio.

2.3.2. Brand relationship spectrum

'The brand relationship spectrum' created by Aaker and Joachimsthaler (2000) implies the branding strategy possibilities (Figure 2). The traditional branding strategy options consider normally only individual brands, family brands and corporate brands. Respectively, the brand relationship spectrum also takes account of the hybrid forms and variations between the branded houses and houses of brands (Kotler & Pfoertsch 2006).The brand relationship spectrum includes four main brand types: house of brands, endorsed brands, sub-brands, and branded houses. Under each basic strategy category, there are multiple sub-strategies. Although the brand relationship spectrum is divided into four main branding strategies, nearly all organizations use a mixture of them. The challenge therefore is to create a brand team where all players fit in and are productive together (Aaker & Joachimsthaler 2000).

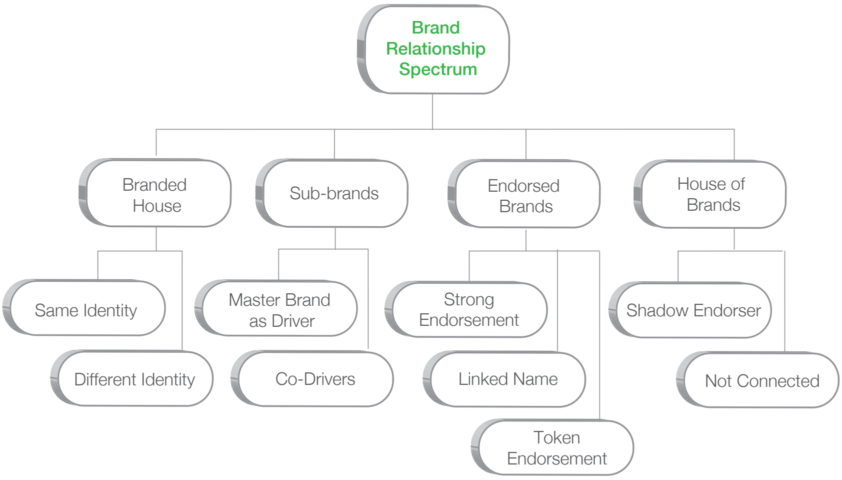


Figure 2 - Brand relationship spectrum (Aaker & Joachimsthaler 2000)

2.3.3. Kapferer's six principal branding strategies

The brand relationship spectrum by Aaker and Joachimsthaler (2000) is useful when analyzing existing brand architectures but does not provide much orientation to guide new brand building. Instead, Kapferer (2008, 353) created six different branding strategies which are classified according to the brand levels and the degree of freedom. The aspect of freedom is especially important in the context of collaborated house brands, as it determines the individuality and autonomy of the small design brands within the collaboration. By questioning the number of the brand levels - the roles of the collaboration and the individual design brands in the value communication - the best branding strategy can be defined. The six branding strategies are called product brands, umbrella brand, master brand, maker's mark, endorsing brand, and source brand. They present typical branding cases (Figure 3). In reality, the strategies are often mixed and different branding strategies are adopted, based on different circumstances.

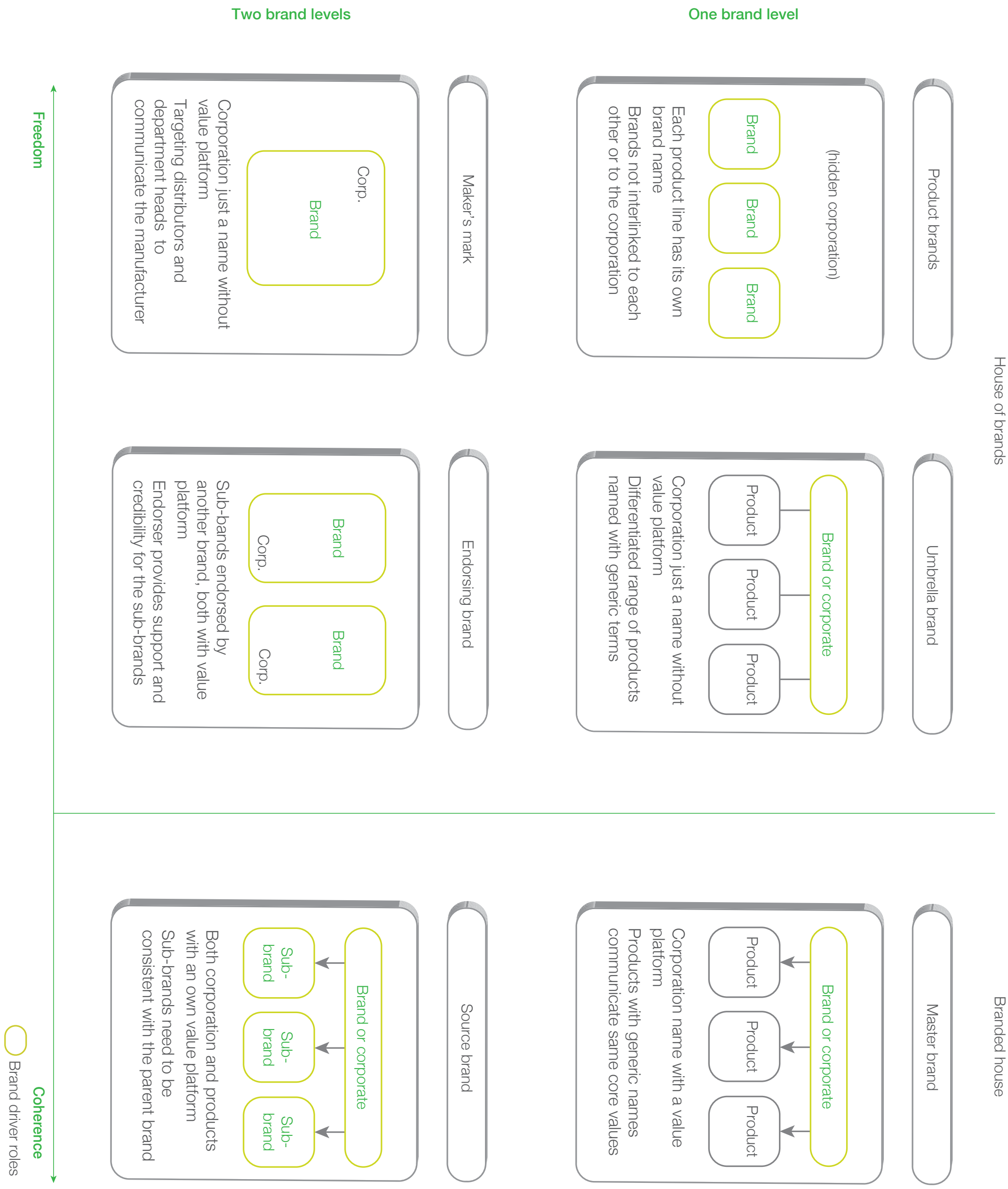
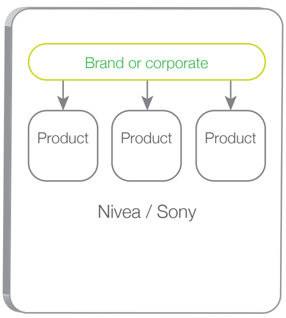


Figure 3 - Kapferer's six principal branding strategies (Kapferer 2008)

Driver role

Like the brand relationship spectrum by Aaker and Joachimsthaler (2000), the six branding strategies by Kapferer's (2008) are also formed around the offering value, also known as brand driver. The driver role reflects within which conditions the customer is doing buying decisions regarding the product. The brand that is holding the driver role is affecting at the most the buying decisions and the use experience (Aaker & Joachimsthaler 2000). The driver brand's name and symbol needs to include a strong identity in the minds of the customers, as well as a clear visibility on the package and on the retail store (Aaker 1996, 244). Kapferer (2008, 351) defines the brand driver to be the brand motivator. According to him, the brand carrying the driver role symbolizes the values and the differentiation from the other brands. The driver brand is the one that creates the desire.

Master brand (branded house)



- Corporation name with a value platform
- Products with generic names
- Master brand as dominant driver
- Enhanced clarity across products
- Provides visibility in many markets

Master brand identifies the corporation behind the product or service (Aaker 1996; Kotler et al. 2006). Also known as branded houses, the brand becomes dominant driver across multiple offerings that everything should align with. The strategy leads to an array of offerings that all communicate the master brand's core values (Kapferer 2008, 366). Examples of master brands are Nivea and Sony. The main advantage of using a branded house strategy is in its enhanced clarity across products and visibility in many product markets (Aaker & Joachimsthaler 2000; Kapferer 2008, 366). However, the strategy also possesses challenges to the brand. The claim is confronted when trying to maintain a cool image or a quality position within a large market share, requiring compromises and limiting targeting to specific groups (Aaker & Joachimsthaler 2000). Nevertheless, a brand without division brands speaks about integration, both externally and internally (Kapferer 2008, 355). Although to justify the existence of all product lines, each need to communicate the central values of the house brand, while bringing something new to it (Kapferer 2008, 288). (Figure 4)

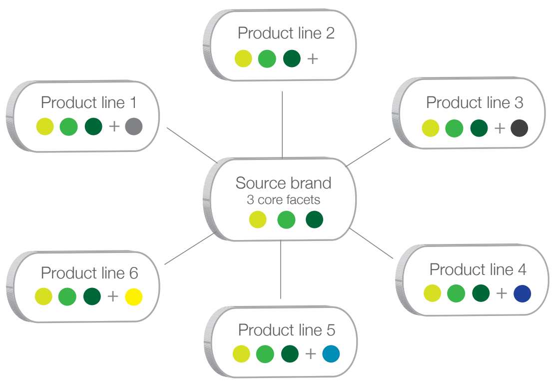
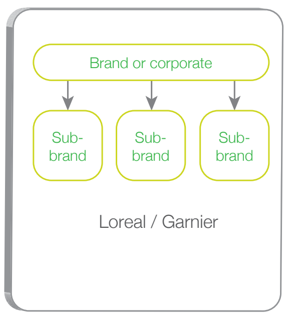


Figure 4 - Product lines include core facets and a facet of their own (Kapferer 2008)

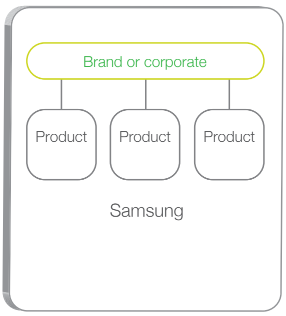
Source brand (sub-brand / branded house)



- Both brand levels with an own value platforms
- Sub-brands consistent with the parent brand
- Parent brand typically playing the driver role
- Can be used to modify associations of the parent brand
- Provides a sense of depth and difference

The difference between master brands and source brands is in the fact that in the latter strategy the product lines have been branded (Kapferer 2008, 367). In the source brand strategy, the driver role is typically carried by the parent brand which dominates the sub-brands. The firm link between the source brand and its sub-brands embodies possibilities and risks on the parent brand, since the sub-brands can change its perceptions (Aaker & Joachimsthaler 2000). According to Aaker (1996), the sub-brands can adopt roles of a describer, structure identity modifier, market opportunity exploiter, or extension supporter. Therefore, it is important that the sub-brands are consistent and support the parent brand's identity (Aaker 1996). The balance between the coherence and freedom, family resemblance, and individuality has to be delicately taken into account. The key to success lies in analyzing thoroughly what each brand adds to or borrows from the whole (Kapferer 2008, 294). In other words, the benefit of the source brand strategy is in its ability to simultaneously provide a sense of depth and difference.

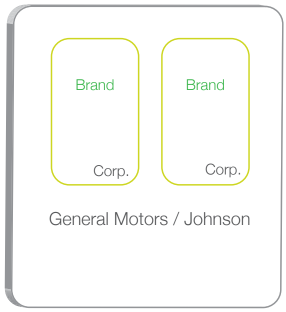
Umbrella brand (a model of house of brands)



- Corporation just a name without value platform
- Common name for a highly differentiated range of products
- Products named with generic terms
- Allows a great deal of autonomy for product lines and divisions

The umbrella brand strategy implies of using just a single brand level. The products are not given brand names, but code names or just generic terms. The strategy involves offering a common name to a highly differentiated range of products, like Samsung does (Kapferer 2008, 365). The difference between umbrella brands and master brands, which are also sort of umbrella brands, is that in umbrella brands the corporate provides just a name, not a value platform. Therefore, the lack of value system is the biggest disadvantage of the umbrella brand strategy. By signing the products without explaining 'why', the umbrella brand is diluted. Although since the corporate name is not a brand, it can easily be placed on products that are highly distinct from each other. Consequently, the weak value link to corporation gives the subsidiaries a great deal of autonomy which can motivate and encourage conquering market share (Kapferer 208, 365).

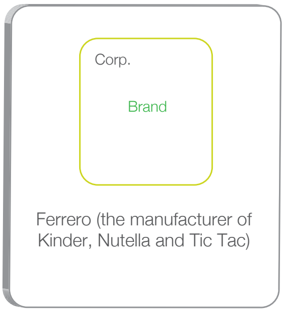
Endorsing brand (endorsement brand)



- Both brands with a value platform
- Driver role on product brands
- Endorser provides support and credibility
- Product brands provides distinction, personalization
- Little image transfer between brands
- Allows significant freedom for individual brands

Endorsing brand strategy implies independent brands which are typically endorsed by an organizational brand, like General Motors or Johnson (Aaker & Joachimsthaler 2000). A brand is considered as an endorser if it provides support and credibility in order to let product brands to communicate distinction and personalization (Kapferer 2008, 363). Corporate brands are typical well suited endorsers, as they represent an organization with people, culture, values, and programs. Therefore, the endorser's primary role is to convince the customer that the product will fulfill the promises of its functional benefits (Aaker 1996). Another purpose for endorsing a brand is also to provide associations for the endorser. Such cases represent an example where an energetic new product is endorsed to enhance the image of the endorser (Aaker & Joachimsthaler 2000). Sometimes the endorser is used just to provide initial support for new brands and products. As the new brand becomes stronger, the endorser brand will be dropped away. Kapferer (2008, 363) notes that the endorsement brand can be indicated in a graphic manner by placing an emblem of the endorser next to the brand name, or by simply signing the endorsers name.

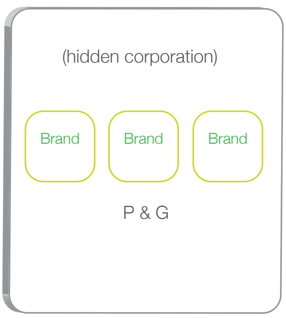
Maker's mark



- Corporation emblem just a sign of manufacturer without value platform
- Maker's mark targeted for retailers and department heads
- Provides extensive amount of freedom

The maker's mark strategy means signing a product with a logo or other mark of the manufacturer. It is only a note of a maker without intending to embody any meanings or emotions. The intent is to create a recognition sign identifying the manufacturer. Maker's mark is not targeted to customers but rather for retailers and department heads. The strategy is the next step away from the house of brands, where the corporate behind was completely hidden (Kapferer 2008, 362).

Product brands (house of brands)



- Each product line has own brand name
- Brands not interlinked
- Allows great freedom for products and for communication
- To dominate niche markets
- Brands positioned with functional benefits

The product brand strategy implies creating one brand name and positioning for each of the products or product lines. Each product receives an own brand name and a driver role which leads to a brand portfolio of individual and independent product brands that are not interlinked to each other. Therefore, the link between the corporate values and the division, activities, and products is loose (Kapferer 2008, 356; Aaker & Joachimsthaler 2000). Since all the brands are independent, one's failure has no negative spillover effect on the others, or on the company name. On one hand, the firms cannot benefit from the positive spillover effects either (Kapferer 2008, 358). The main benefit of using product brands strategy is the possibility to dominate niche segments and to position the brands clearly on functional benefits (Aaker & Joachimsthaler 2000). An example of a company that uses product brand strategy is Procter & Gamble. By occupying many segments with different needs and expectations, the company can have a greater share of the market. Respectively, the customers can better perceive the differences between various brands (Kapferer 2008, 357). On the other hand, the biggest disadvantage of the product brand strategy is economic since each new product requires considerable investments on advertising and promotions. Therefore, it is often more advantageous to nurture an existing brand with an innovation than attempt to launch it under a new name (Kapferer 2008, 359).

2.4. Brand alliances

Brand alliances involve joint branding ventures either through co-branding or merging brands. These joint branding possibilities are reviewed to understand how the brands in joint ventures are related to each other and how new joint brands can be named.

2.4.1. Co-branding

Co-branding has been described to signify brand alliance activities where two or more brands (constitute brands) are combined to create a new brand or product (composite brand, joint brand) (Washburn et al. 2000; Leuthesser et al. 2003). Correspondingly, Blackett and Boad (1999, 7) have defined co-branding to mean a form of collaboration between two or more brands with significant customer recognition, in which all the existing brand names are retained. According to Kapferer (2008, 169), the co-brand is a symbol of an alliance that neither party is seeking to hide. Altogether, co-brands are seen to be long-term strategic decisions which involve development of new processes, products, or services (Kapferer 2008, 169; Blackett & Boad 1999).

Several different ways to co-brand are to be found. According to Blackett and Boad (1999), co-branding is a way to leverage brands, enter new markets, embrace new technologies, reduce costs through economies of scale, and to refresh the image of the partners. Washburn and others (2000) add the benefits of co-branding being increased visibility, fade off the fear for individual brands, and share costs of promotions and risks. Despite the many positive effects of co-branding, researchers also argue that collaboration with poor partners may have negative spillover effects on other brands. In other words, co-branding with a partner that is not standing up for the expectations in the eyes of the consumers would lower the perceptions of the partnering brand, even outside of the co-branding context (Sullivan 2001). According to Washburn and others (2000), the hypothesis is yet incorrect, since consumers have been argued to be able to distinguish between the partners in order to evaluate who is responsible for the good or bad performance. Besides, high equity brands appear to be less affected by any means of the co-branding, giving them some protection from poor branding decisions. Respectively, low equity brands seemed to be gaining the most, since they were actually enhanced in the customer's perceptions, even when collaborating with other low equity brands. Therefore, the risks of negative spillover effects, when interlinking small design brands together through joint branding, are also decreased.

Co-branding strategies

Co-branding is a generic term for different types of co-operational branding activities. In order to examine how the co-branding strategies relate with in my model of collaborated house brands, the possible co-branding strategies needs to be reviewed. Co-branding can mean any of the following branding actions:

Reach/awareness co-branding

Increasing awareness of the partnering brands by exposing them to each others' customer bases by marketing and promoting collaborations (i.e. credit cards and skylines). This type of co-branding requires low level of joint investments and actions (Blackett & Boad 1999).

Values endorsement co-branding

To transfer brand values or positioning to another brand. For example, used when a company sponsors a charity to be associated with a worthy case and with good citizenship (i.e. Pampers (P&G) and Unicef) (Blackett & Boad 1999, 11).

Ingredient branding

Ingredient branding can be described as creating brand equity for materials, components, or parts that are necessarily contained within other branded products (i.e. Teflon, NutraSweet, Intel) (Kotler et al. 2009). That is to say, the purpose of ingredient branding is to make a component or ingredient visible by using an established brand name. Adding a branded component can provide a point of differentiation and credibility to the parent brand (Aaker 1996, 259).

Dual branding / co-branding as a brand extension

Extending a brand into another product class by collaborating with an other brand (i.e. Carte D'or and Daim) (Aaker 1996, 275). Washburn and others (2004, 490) mention this kind of co-branding to involve a physical integration. One of the crucial aspect when thinking of joining two brands to create co-branded brand extension, is the question of complementarity. The two brands need to be perceived to complete each other and to have a good 'fit'. This means that the complementarity is not enough if there is not a common vision and shared values involved (Kapferer 2008, 167).

Joint promotions

A short term arrangement between two well-established consumer brands for generating extra publicity and sales (i.e. McDonald's and Disney). Joint promotions are typically short-term; they combine brands from different sectors with non-competitive products. (Blackett & Boad 1999).

Benefits and challenges of co-branding

In their book, Blackett and Boad (1999) have listed a comprehensive list of benefits and challenges faced in co-branding ventures. Hence, some of the points are obviously relevant in a context of collaborated house brand, some are not. Therefore, the benefits and challenges are to be reviewed later in Chapter 3 (Collaborated house brand in theory). By later introducing the review, the arguments can be analyzed in greater depth in the context of collaborated house brand and within its particular branding strategy.

2.4.2. Brand mergers

Of collaborative branding activities that happen in a corporate brand level, the brand mergers are the ones that are studied the most. The term brand merger is mainly used in the context of mergers and acquisitions (M&As) which means two companies being combined into one new entity (Ettenson & Knowles 2006). In some cases, the entire companies are merged, while in others the collaboration is happening just between corporate departments (Chang 2009). Yet, normally brand mergers include the creation of a new jointly-owned company. That enables two companies to enter new markets or launch new products through equal contribution, but with complementary skills (Blackett & Boad 1999).

Alliances in brand mergers

If compared to the collaborated house brands, which are not to be created through M&A, neither happening between just two parties, the literature of brand mergers has yet a lot to offer. Such things are how to name the collaboration and which markets to pursue. Blackett and Boad (1999), as well as Kapferer (2008, 170) mention the possibility to merge brands with an alliance. Compared to joint ventures, alliances are mainly created for marketing purposes (Blackett & Boad 1999). Altogether, they can be an alternative for acquisitions and fusions in strategic terms. The selection of partners does not lean on complementary in skills but on marketing synergies (Blackett & Boad 1999). Thus, the basic strategies, benefits, and risks of brand mergers can be equally applied to alliances. Furthermore, this master's thesis only concentrates on those points that are closely related to alliance based brand mergers.

Determining the feasibility of brand mergers

According to Blackett and Boad (1999), brand mergers represent long-term collaboration where the main purpose is on operational opportunities, not on branding issues. In recent studies, researchers have yet highlighted the necessity of proper brand management. It has been argued that the comprehensive brand management during the transition plays a key role when determining the success of the merged company's success (Knudsen et al. 1997; Ettenson & Knowles 2009; Chang 2009; Kumar & Blomqvist 2004). These studies regard brands as strategic assets that need to be managed accordingly. Without clear strategy, brand mergers are frequently ended up with mistrust and failure (Chang 2009).

To analyze the relevance of brand mergers, Knudsen and others (1997) have created a matrix which considers the suitability of brand mergers according to the positioning of the brand and the product category (Figure 5). When brand merger is found to add value, the researches have created a table to determine the complexity and risks involved (Figure 6). By analyzing the due diligence of companies included, the overall suitability of companies can be evaluated. The goal is to find a partner with whom the requirements fall in the 'less complex' sector than in the 'complex' one.

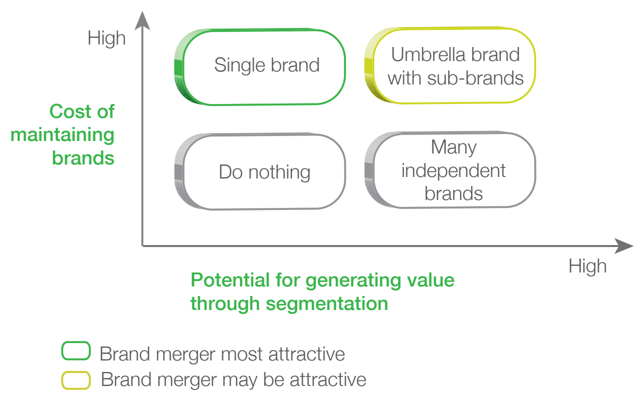


Figure 5 - Analyzing the suitability of a brand merger (Knudsen et al. 1997)

Analyses required	Less complex	More complex
Segments served	Similar	Distictly different
Brand attributes	Close; few gaps	Distant; many gaps
Brand equity	One strong	Both strong
Perceived positioning	Similar	Substantially different
Brand cultural heritage	Low for one	High for both
Consumer loyalty	Low for one	High for both
Distribution channels	Similar	Different
Relative market share	One brand has much higher share	Both brands have roughly equal market share

Figure 6 - Determining the risks and complexity of a brand merger (Knudsen et al. 1997)

Brand merging strategies

After finding proper partners with whom the merger has proved to add value, the strategy how to conduct the merger needs to be evaluated. This mainly regards naming of the merger. Ettenson and Knowles (2006) has found out that instead of including just four basic strategies (adopt one brand, create some combination of the two, go with something new or change nothing) there are at least 10 different variants of how to conduct the merger. Correspondingly, Chang (2009) has created a matrix to find the best brand merger strategy. In his matrix the new brand entity can be positioned according to naming and market reach (Figure 7). Consequently, the matrix leads to four alternative brand merger strategies: market penetration strategy, global brand strategy, brand reinforcement strategy, and brand extension strategy. In general, the matrix of Chang seems to provide more insights to the question in hand, since it also regards the intended markets, not only naming the collaboration. Hence, the collaboration's business objectives and overall branding strategy needs to be evaluated before it can be placed in the matrix. Therefore, the best strategy for collaborated house brands will be analyzed later (Chapter 3.1.3. Brand merger strategies) to study the matrix in the context of collaborated house brands.

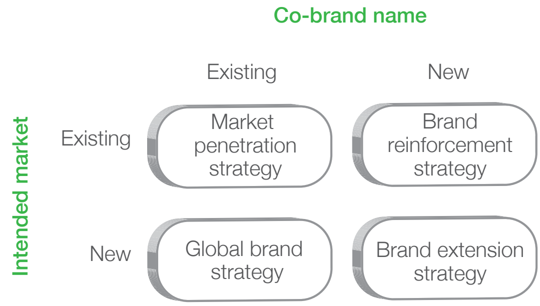


Figure 7 - Brand merger strategy (Chang 2009)

2.4.3. Summary

The proper branding strategy is affected by the business model of the company, which in the context of this study is the collaboration. It dictates the brand levels, the power allocation between the parent brand and its sub-brands, as well as the desired brand drivers. By analyzing the suitability of Kapferer's six principal branding strategies, the most appropriate branding strategy can be determined. In his matrix, the best brand strategy can be targeted according to the preferred amount of freedom and brand levels. On one hand, the analysis of different co-branding strategies reveal the benefits and challenges of joint branding ventures as well as knowledge for their implementation. On the other hand, brand merger literature clarifies the partner selection criteria and options to name the collaboration. Through conducting the analysis, the outline of the concept of collaborated house brand model can be created.

3. Collaborated house brand in theory

At this point I had reviewed a number of different branding strategies. However, none of the strategies provided direct answers for the problem in hand, which is how to build and brand a collaboration of small design brands. Brand architecture strategies regarded the brand relationships, driver roles, and numbers of brand levels. Respectively, co-branding literature and brand merger strategies were focused on brand relationships, naming of the collaboration, and intended markets. Hence, by gathering all the pieces of information which had something to contribute for collaborated house brands, I would be able to form the outlines for the model, and to define how the brands could be interlinked within the collaboration.

3.1. Branding strategy

Each branding strategy reviewed in the last chapter (brand architectures, co-branding, and brand mergers), has something to contribute for the collaborated house brand model (Figure 8). As explained in the previous chapter, Kapferer's six principal branding strategies (2008) provide the best platform to analyze the interconnections of small design brands. Through the analysis, the relationships and driver roles between the design brands and the collectively owned house brand can be defined. Since the brand architecture and the interconnection of brands is in the core of the model, the branding strategies matrix of Kapferer is the most essential tool when creating theory for collaborated house brands. As a result, the overall structure of collaborated house brands can be created. Although co-branding and brand merger strategies are more irrelevant in this context, both disciplines provide some insights to the theory of collaborated house brands. Co-branding strategies clarify the relationships in joint branding ventures. Furthermore, brand mergers enlighten the naming options for the new brand entity, as well as raise questions which markets to enter. Through combining the insights from the branding strategies, the basics for the model of collaborated house brand can be created. Next, I will analyze each of the strategies in the context of collaborated house brand in order to evaluate the best branding strategy for such a collaboration.

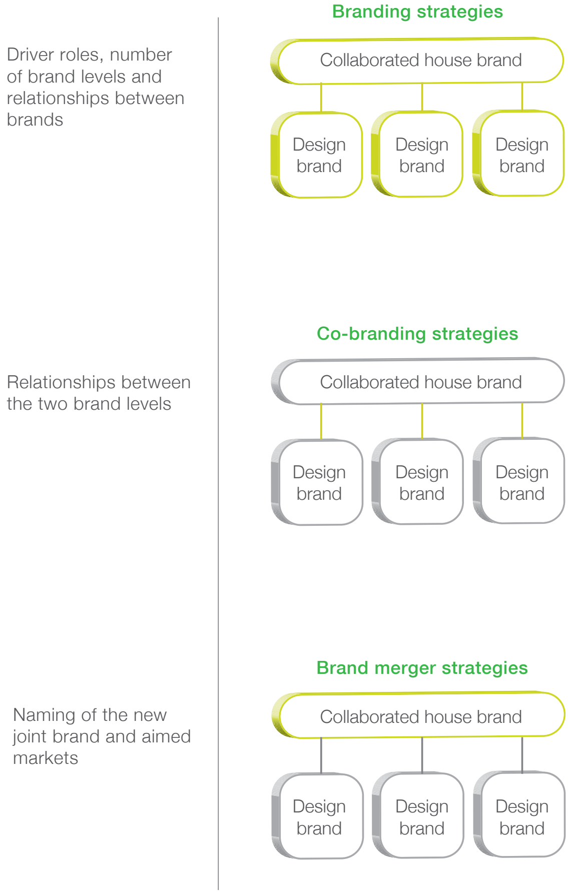


Figure 8 - Linkage of each branding strategy with the collaborated house brand

3.1.1. Kapferer's six principal branding strategies

Kapferer (2008, 153) argues that brands are not self-sufficient assets. That is to say, brands are conditional and functioning in interaction with the business model that supports it. Therefore, it is the business model that comes first. Respectively, in establishing a structure for a collaborated house brand for small design companies, the brand structure represents an important part of the business model for the collaboration. Before any collaborated house brands can be build, the brand structure needs to be defined. On the grounds of my own experience as an owner of a design brand and the interviews of other small design brands, the basic requirements for such collaborations have been formed. These requirements are:

Collaborated house brand as a representative
The collaborated house brand should be a representative of the individual design brands. This includes retailers and resellers perceiving the collaborated house brand as one coherent entity.

Freedom and individuality
The individual design brands should maintain as high degree of freedom over their own brands as possible, as well as possibility to diverge from the collaboration without diluting any brands in the collaboration.

Evaluation of the best branding strategy

Through analyzing the desired brand levels in the brand architecture and the freedom versus coherence between the corporate and its products brands, the desired branding strategy can be distinguished. To find the right strategy, the unsuitable options will be eliminated one by one. The results are presented in Figure 9.

Product brands, umbrella brands, and master brands
The three strategies representing a single brand level (product brands, umbrella brands, and master brands) can be abandoned because of the lack of interconnections between brands in these structures. The use of one brand level demands either abandoning the house brand level or removing the design brands while making them just a range of products

named with generic terms. The first option, product brand strategy, would dilute the whole meaning of collaborated house brand, since the collaboration would not be branded any more. This would mean that the collaboration would be hidden, and the individual design brands would need to continue surviving in crowded markets without a parent brand supporting. Respectively, the umbrella or master brand strategy destroys the work done with individual design brands by eliminating them totally. The designers would loose their individuality making their design brands hidden and products just extensions of the parent brand. This would exclude the possibility to diverge from the collaboration without loosing all the work done with design brand building, since no individual design brands would exist anymore. These limitations of single brand level strategies exclude them as an option for collaborated house brands.

Source brands

As explained in the literature review, the source brand strategy involves a parent brand with a dominating driver role and multiple sub-brands with minor driver roles. The link between the parent brand and the sub-brands is tight, making them highly dependent on each other. The strategy obligates the sub-brands to obey their parent brand, or otherwise they risk to dilute the parent brand's identity. Because of this need for consistence and everything to fall in line with the parent brand's identity, the strategy does not sufficiently provide individuality and freedom for design brands. Through building the model with source brand strategy, it would make it impossible for design brands to diverge from it in the future, as they would become subject of the parent brand. Therefore, design brands would loose their autonomy and individuality. Consequently, the source brand strategy cannot be considered for collaborated house brands.

Maker's marks

While source brand strategy was highly coherent, the maker's mark is representing an opposite situation providing an extensive amount of freedom for the design brands. The maker's mark strategy involves product brands which are signed by the manufacturer. The maker's mark is just a graphical sign, not a brand, since it has no values or emotions embodied. However, as explained in the previous chapter, the collaboration should be branded because it provides significant amount of value, communicates what the collaboration is about, and differentiates it from the competitors. Therefore, the potential of organizing the collaborated house brand model as a maker's mark would end up as inadequately exploited.

Endorsing brands

Consequently, we are left with an endorsing brand strategy. The strategy presents two brand levels withholding balance of freedom and coherence. As reviewed in the literature review (Kapferer 2008, 363), the endorsing brand strategy involves individual brands which are endorsed by another brand, which is usually an organization on the background. The endorser provides some generic core values for its sub-brands, such as support and credibility. Because of the endorser, the sub-brands can concentrate on more detailed values offering distinction and personalization. The strategy seems like a perfect match for collaborated house brands, as it allows freedom for individual design brands, while linked to grater whole with the endorser brand. Hence, individual design brands have possibility to preserve their autonomy, individuality, and driver role. Therefore, it is also possible to diverge from the collaboration without loosing the individual brand identities. Respectively, there is only a little image transfer to the endorser, meaning that the changes in individual design brands does not significantly effect the perception of the endorser. Therefore, the collaborated house brand can also conserve its value position, even if individual design brands would change. With endorsing brand strategy the collaborated house brand, as well as the individual design brands, are gaining the most out of the collaboration without remarkable risks for either parties.

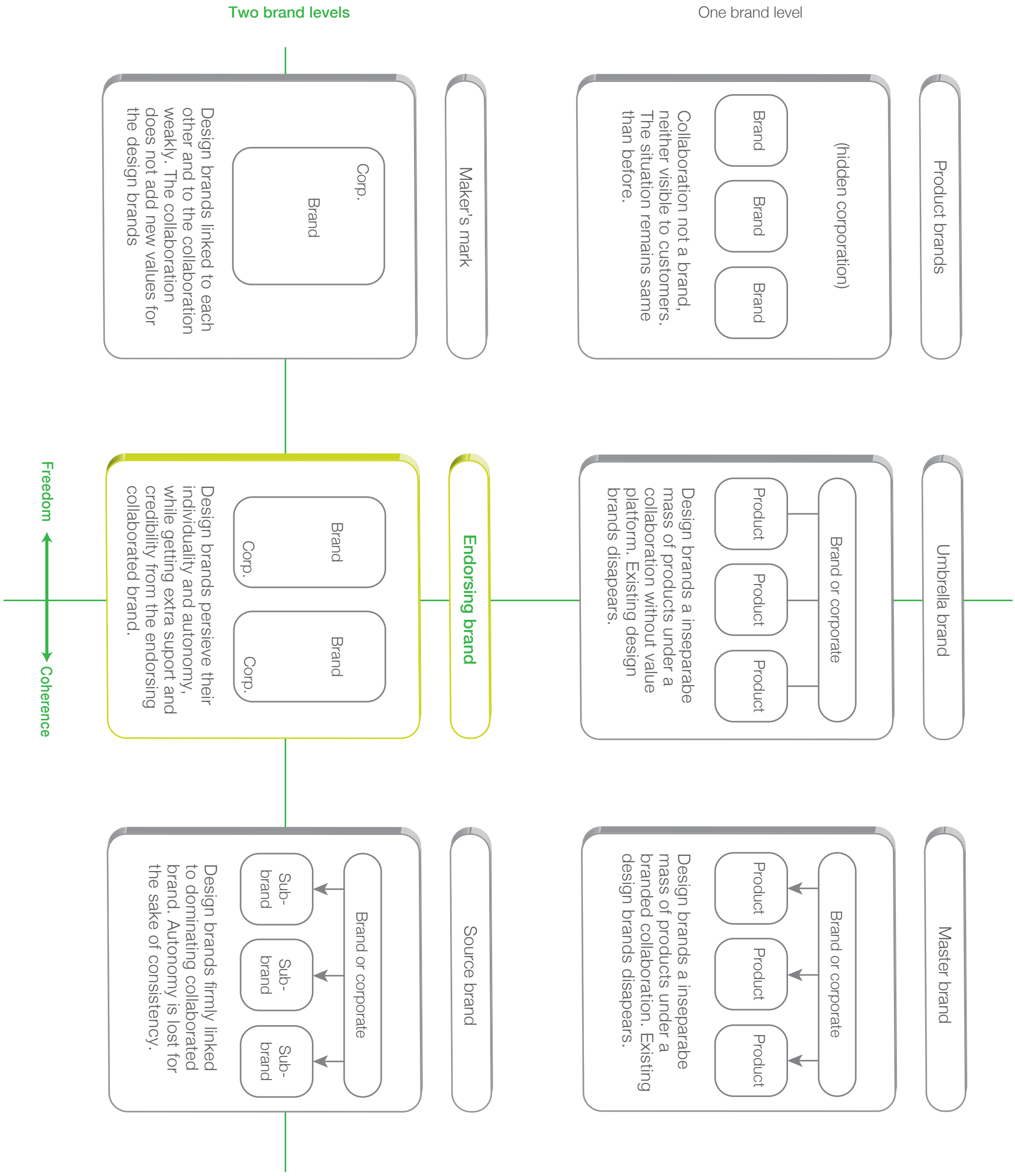


Figure 9 - The benefits and limitations of Kapferer's strategies

3.1.2. Co-branding strategies

As defined by Washburn and others (2000), co-branding strategy involves transferring existing brand equities to a jointly created co-brand. In other words, no new brands are created but existing ones are combined. Therefore, co-branding is not directly suitable for collaborated house brands. However, as I explained above, there will be two brand levels when creating a collaborated house brand. This means that the co-branding strategies can be applied to the relationships between the house brand and the design brands. Accordingly, no new brands are created but existing ones combined. In other words, co-branding strategies offer insights of the relationship between the collaborated house brand and individual design brands.

Some of the co-branding strategies reviewed in the previous chapter can be eliminated immediately. For example, reach/awareness co-branding and joint promotions are meant for reaching partners' customer bases. Therefore, the need for non-competitive products and differentiated sectors is essential. Instead, with collaborated house brands, all the brands are operating in the same market sector and trying to reach slightly differentiated segments. Furthermore, dual branding involves creating a new product which is not the intent of collaborated house brands, since they aim at building distribution channels collectively. Ingredient branding can also be eliminated due to the lack of components to be branded. Therefore, the only possibility is values endorsement co-branding strategy which is identical with Kapferer's endorsing brand strategy (Figure 10). This is because they both involve linking an endorser brand to support the others. Consequently, this strengthens the assumption that endorsing brand strategy is the most suitable branding strategy for the joint branding case in question.

	Awarness co-branding	Values endorsment	Ingredient branding	Dual branding	Joint promotions
Case example	Credit crads with skylines miles	P&G with Unicef	Teflon and Lycra	Carte D'or with Daim	McDonalds meals with Disney
Description	To increase awarness of partnering brands through exposure to each others customer bases (Blackett & Boad 1999)	To transfer brand values or positioning to another brand. Used when company sponsoring a charity (Blackett & Boad 1999)	To create brand equity for materials, components or parts that are necessarily contained within other branded products (Kotler et al. 2009)	To create a new product or offering by combining two existing brands together (Washburn et al. 2000)	To generate extra publicity thourgh combining non-competitive oferings of two brands from different sectors (Blackett & Boad 1999)
Evaluation of relevance	Not suitable for collaborated house brands, since small design brands lacking adequate market shares and customer recognition	Suitable for collaborated house brands, when creating a new house brand with value platform, which endorses the design brands	Not suitable for collaborated house brands, since no essential ingredients which could be branded	Not suitable for collaborated house brands, since no new products are created collectively	Not suitable for collaborated house brands, since brands operating in same sectors and with fairly competitive products

Figure 10 - Benefits and disadvantages of co-branding strategies

3.1.3. Brand merger strategies

Brand mergers happen usually through business mergers and acquisitions, which means two companies being combined into one new entity. Hence, Blackett and Boad (1999) have noted that besides joint ventures, the same brand merger strategies can be implemented for brand alliances. Therefore, the brand merger strategies can also be applicable for collaborated house brands. According to Chang (2009), the desired brand merger strategy can be defined based on the intended markets and how to name the alliance (Figure 11). In the case of collaborated house brands, the aim is to increase existing market shares and consolidate the existing market position, not to reach to new markets. Therefore, by eliminating the strategies involving extending to new markets, only market penetration strategy or brand reinforcement strategy are remained as options.

The question about how to name the collaboration is rather simple. It plays an important role when two brands are merging, since there are many possibilities to name the collaboration. However, when creating a collaborated brand that represents many individual brands, the naming options are fewer. Considering that old members should be able to diverge from the collaboration as well as new members to join, the collaborated house brand should be named without referring to the existing members. Therefore, the collaboration cannot carry names of the partners, yet it needs to be self-standing and flexible to changes in the partnership. Consequently, the only possibility is to create a new brand name that is not connected to individual design brands' names.

As a result, the brand reinforcement strategy is the only possible option. Although Chang (2009) describes the strategy to signify two firms deciding to use a new name in their existing market, the strategy can also be implemented to collaborations consisting more than two firms. According to Chang, the advantages of the strategy are to reinforce the reputation of the original brands without hurting them. This happens because the new brand is named independently making the connection to the original brands less apparent. Therefore, giving a new name for the merged brand is essential. Hence, negative spillover effects may happen if the new joint brand is not fulfilling the expectations, yet the risks are smaller as the connection between the brands is not that strong.

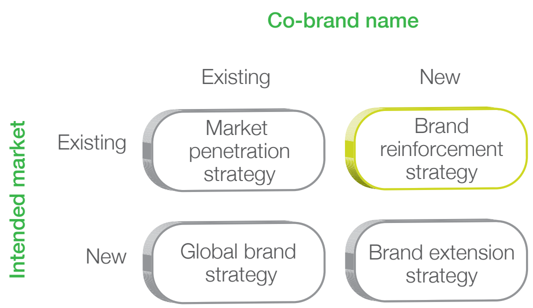


Figure 11 - Brand merger strategies (Chang 2009)

3.2. Endorsing joint brand

To summarize the findings of the analysis of different branding strategies, the collaborated house brand can be defined to include:

- Two brand levels, one for collaborated house brand and another for individual design brands
- Collaborated house brand as an endorser for design brands
- Design brands holding their individuality and driver roles
- House brand named individually without connections to individual design brands

The main purpose to use endorsing brand strategy as a link between the individual design brands and the jointly created house brand is in its supporting character. The collaboratively created house brand works as a 'speak person' for the group of individual design brands. It is their supporter and representer. Accordingly, through creating a new entity with multiple individual design brands, the joint brand becomes a symbol for all of them. Therefore, the joint brand is a sum of its parts. It gathers the credibility, dynamics, and powers of the individual design brands. By branding the collaboration, new features can be added to the new joint, such as new values and identity.

Because of the endorsing brand strategy and the two brand levels, the same branding strategy appears differently to different parties. The diversities in relationships with customers and retailers are illustrated in Figure 12. From the retailers' point of view, the jointly created house brand is holding the driver role. Although the retailers are buying the products from individual design brands, the contracts and negotiations are still done with the collaboration. This is because all the marketing and selling actions will be conducted in the name of the collaboration. It is the collaboration that retailers and resellers are considering to work with, build relationships, and commit to. Instead for customers, the driver role and the motivator for purchase are on the individual design brands, as endorsing brand strategy allows the sub-brands to hold the driver roles. From the customer's point of view, the collaboration is just a supporter. This is to say, the collaborated house brand is just a connection to a larger entity. Therefore, in the minds of customers the individual design brands are remained highly individual and separate. Respectively, the design brands are conserving their autonomy, as well as the possibility to diverge from the collaboration without diluting their existing brands.

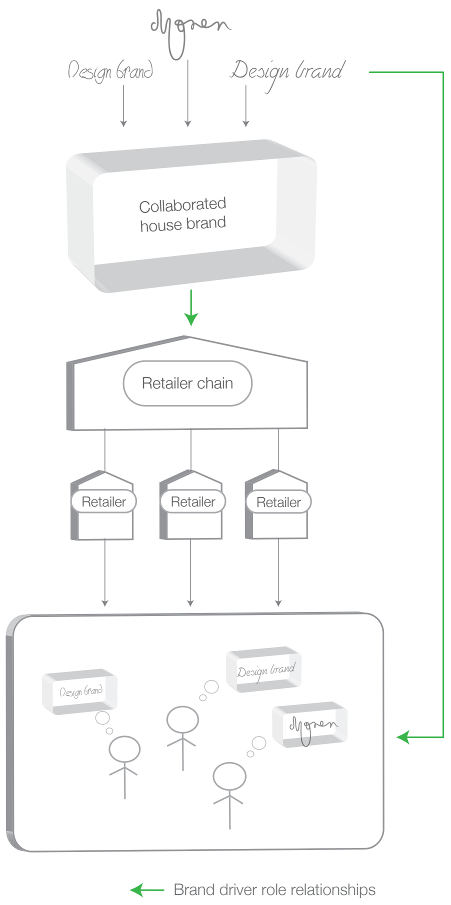


Figure 12 - Brand driver roles and relationships

3.2.1. Benefits of joint branding

The main benefit of collaborated house brands is to gain credibility in front of the retailers and to share resources. Although the core of the collaboration is to enter mass markets, there are also other benefits. As explained above, the co-branding literature does not provide significant insights for the branding strategies in the case of organizing collaboration between small design brands. However, the benefits of co-branding are highly applicable for collaborated house brands. The strategies to join the brands differ, but in any case the benefits are delivered from linking brand equities of two or more brands. Therefore, the benefits of co-branding delivered by Blackett and Boad (1999), can be reviewed in the context of collaborated house brands to understand the multiplicity of advantages of joint branding actions:

Retailer collaboration
The importance of the retailer collaboration for small design brands has already been explained in-depth. However, the small design brands are not the only ones benefiting from this kind of collaboration. For the retailers, the collaborated house brand signifies a supply of new product brands and producers which could not be reached otherwise. The retailers are constantly searching for new products, new trends, and new articles to offer for their customers. Without these kinds of alliances, most of the small producers and a notable potential of innovative and differentiated products would remain unachievable for most of the larger retailers (Blackett & Boad 1999).

Investment minimized
The small design brands can benefit from the collaboration by sharing costs of promotion and logistics, as well as reducing costs for packaging through economies of scale (Blackett & Boad 1999).

Risk reduction
The risks of expanding into mass markets and other actions alike are reduced because small design brands are no more acting alone but getting support from each others. Therefore, the risk of failure is smaller as it is divided between partnering brands (Blackett & Boad 1999).

Customer reassurance

There are always risks involved when buying goods from unknown small brands. For customers, new brands acting in the collaboration are less risky choice. This is to say, the collaboration they belong to endorses the new brand with its ready established brand identity (Blackett & Boad 1999).

Enhancing of brand value and positive assimilations

Studies show that brand alliances has some value in their plain essence. According to Washburn and others (2004), customers expect higher quality from the brand alliance versus single-branded products. Moreover, as the collaborated house brand is an endorser, it strengthens the individual design brands with its accumulated customer recognition and brand image. However, the assimilation mostly happens only between individual brands and the collaborated house brand because of weak linkage between individual design brands.

Corporate size

A corporate performance and size has notable effect on customers perception of the brand. The size can communicate competence and power. Bigger corporations have more credibility in the eyes of the customers. However, the corporate size may also signal slowness and expensiveness. Therefore, it is necessary to ensure that the size attributes are merely seen as providers of innovation, success, enhanced dynamics, and adaptiveness (Aaker 2004). Nevertheless, Kapferer (2008, 270) notes that the size of a company is not automatically a preferred issue. He argues that modern customers do not want larger brands but better brands. This is important to bear in mind when positioning the collaborated house brand. 'Big is beautiful' only if the customers and retailers value it. There is a question of good communication to ensure that customers and retailers will understand the real value of the brand collaboration and how they are benefiting from it.

3.2.2. Challenges

Besides the benefits of joint branded collaborations, their disadvantages are highly comparable with the challenges of co-branding (Blackett & Boad 1999). Therefore, the possible risks and challenges of joint branding should also be reviewed in the context of collaborated house brands to better understand the effects of these actions:

Incompatible corporate personalities
One should partner only with businesses that share the same values and attitudes. In other words, although the partnering brands need to be differentiated, they need to sufficiently hold on shared values in order to create a collaborated value platform for the joint brand. The challenge is to find a set of partners that hold on these common values, without being focused on exactly same market segments.

Negative spillover effects
Although the risks cannot be completely eliminated, the endorsing brand strategy is offering some security for negative spillover effects because of the weak linkage between individual design brands. Although the risks cannot be eliminated completely, they can be significantly reduced.

Partner brand repositioning
Repositioning happens when a partner decides to alter the positioning or strategy of its own brand. This affects the compatibility of joint branding. By repositioning a brand, one can enter into new market segments and become a competitor with another brand in the collaboration.

Disciplined trademark use
All the partners need to mark the collaboration in the same way to their visual communications and PR in order to communicate a clear and coherent joint brand image.

Anti-trust and other legal problems
Intellectual property rights, use of one’s own brand in other contexts, registration of the trademark, product liability, and so on are things that may become problems if omitted from the contracts.

3.3. Summary

Through analyzing the possible branding strategies, the collaborated house brand was determined to be an endorsing brand strategy. Consequently, it was defined to be named with a completely new name and focusing to increase the markets shares of the existing market segments. With the endorsing brand strategy, the individual design brands can conserve their autonomy and individuality, since the collaborated house brand is just a supporter without the driver role. The strategy also permits new brands to join the collaboration as well as existing ones to withdraw from it, without diluting the joint brand or other design brands in the collaboration. Respectively, the endorsing brand provides security and credibility for small design businesses and reduces resources for selling and marketing. Moreover, branded design collaboration reduces risks, minimizes investments, communicates quality, gives consumer reassurance, expands brand exposure, provides positive spillover effects, and improves efficiency of partnering design brands. Although the challenges in joint branding ventures seem to be many, the negative effects can be minimized with good brand management and organization. However, good strategic intentions are not enough when entering into a new collaboration, since a future plan is also required. In other words, all the branding decisions need to be fitted together and the long-term effects of such need to be considered. Therefore, to effectively manage the collaboration, individual design brands have to loose at least some of the autonomy over their own brand decisions. Accordingly, to evaluate the willingness of designers to adjust and loose control over their own brands, these issues need to be discussed amongst the practitioners. Respectively, the practitioners are included in the study to find out their need for this type of collaborative models, what challenges they see in it, and under which conditions they would consider to participate in such collaboration. Based on the results, it would be possible to create a model of collaborated house brand that reflects the real needs and conditions of small design brands and larger retailers. The interviews and the results of them are reviewed in the next chapter.

4. Processing the theory with practitioners

After the literature review I had outlined the basic components for a model of the collaborated house brand. I was content with the concept of the model, as it seemed to provide answers to the core issues I had stated since the beginning of the study: how to build and brand a design brand collaboration that would save the individualities of partnering design brands. Yet, I had no idea how other designers and larger retailers would see it. Would small design brands be willing to compromise for the sake of such collaboration? Would they even regard the model as a solution for their problems? And, what about the retailers? Would they consider the collaboration too flexible, or otherwise unsuitable to work with? To find answers to these questions, I needed to interview the practitioners. In doing so, I did not want only to hear how they perceived my model, but I also wanted to get them participating in the process of creating the final model by proposing how to improve it. By including practitioners to the study, I was able to focus on existing business circumstances of small design brands and their particular challenges. Respectively, by interviewing larger retailers, the model could be designed to meet also their specific requirements.

Based on the literature review, interviews with other small design brands and larger retailers were carried out. The aim was to understand how they perceive the model and how they would improve it. All the interviews were semi-structured. This meant that they were free discussions following an interviewing guide. The guide was helping to ensure that all necessary topics were probed, yet the order of the questions and their wording was free (Gilbert 1993). The interviews were, at their best, free and informal conversations that answered the questions without even stating them.

4.1. Interviewing small design brands

The main purpose to include other small design brands to my research was to find out how they would see the model of collaborated house brands from the perspective of their own experience in the industry. The small design companies, included in the research, were selected according to the size of the company, background of the owner, type of the products, brand positioning, and market reach. This meant that the chosen design brands were mainly micro companies where the designer was mostly the only responsible for all the business management efforts. Respectively, the products could not be unique pieces of art but mass-produced. Furthermore, brands did not need to be highly valued by their brand equity, yet the visual image and differentiation needed to be clear. To get varieties in perspectives, both the brands with small distribution channel networks and those with slightly larger distributor channels were included in the study.

According to these criteria, four small design jewelry brands were chosen. The interviewees were divided into two groups. The first of them (the *smaller* design brands) did not have yet sufficient distribution networks, were still rather unknown by bigger masses, and were ran by the designer alone. The second group (the *larger* design brands) had already build their distribution networks, had gained some recognition in mass markets and had some employees working with the designer. Although all these brands were small micro-companies, the two different design brand types were separated in the analysis by calling them '*smaller*' and '*larger*' in order to distinguish the types from each other. The interviews were conducted in Turku and Helsinki and recorded to maintain accuracy. The recordings were afterwards transcribed and analyzed, to interpret the content regarding the model of the collaborated house brands. The complete interviewing guide is attached to the appendices (Appendix 2).

4.1.1. Results of the interviews

The interviews covered multiple themes, such as backgrounds of the companies, their existing business circumstances, and previous experiences to collaborate. However, the most important themes seemed to be an overall need for collaborated house brands and the ability to compromise in such ventures.

Need for the collaborated house brands

An overall need for collaborated house brands was evident. All the design brands seemed to have some needs that the collaborated house brand model could help. For the smaller design brands that had not yet build their distribution channels, the demand for a collaborated house brand was the most apparent due to the lack of adequate retailers. It appeared that those designers suffering the lack of adequate distribution channels were the brands in which the designers were working alone without a business partner. Therefore, an option to collaborate in order to share marketing, selling, business management, and networking tasks was highly valued. Accordingly, the biggest challenge for the smaller design brands was to find enough time and develop skills to manage the marketing and selling efforts.

"I had a quite comprehensive [distribution] network before having my child. But when the child was born I realized that I cannot manage them all. It was too much, so I reduced them to just few shops."

Some interviewees pointed out that it is also more difficult to sell one's own products than those of the others. This is because they felt insecure and insignificant since only representing themselves. Therefore, to contact alone larger retailers seemed just insurmountable. For the same reason, these design brands represented only 'side businesses' while the main income came from other works. They were small designer driven jewelry brands with interesting and innovative products. However, the jewelry were only sold in small design shops and online stores. Hence, the designers were not content with the situation but wished these own brands to become their main income. Therefore, the smaller design brands were satisfied with the model of collaborated house brands and they saw it very needed. According to them, the model would solve their challenges in building larger distribution networks and contacting larger retailers, as they would get help and confidence from each other.

Although the collaborated house brand model was directly welcomed by the smaller design brands, the reaction of the larger design brands was, at first, more doubtful. This was due to the fact that those brands had already sufficiently retailers. Therefore, they did not need help in building the bridge between themselves and the retailers. However, after introducing the model of collaborated house brands, the larger design brands found the model to be relevant for their needs as well. The model could ease the distribution channels building in international markets and to reduce marketing and selling tasks with the existing retailers. As a matter of fact, according to one of the interviewees, it was not demanding to get the retailers to work with them. The challenge was to keep them interested in the brand and to sell it. That was when the heavy work began. However, the collaborated house brand model could help in that stage, too. Through collaboration, the workload caused by managing the multitude of retailers could be shared. All the interviewees, who had a design background, wished to externalize, or at least reduce, the selling and marketing tasks. Furthermore, they wished to be able to more concentrate on designing, not on selling and marketing. Although all the interviewees agreed that the model would ease those tasks, the larger design brands were not willing to compromise to achieve the advantages.

”Maybe in our case it's not relevant to think just Finland, but maybe it would need to be thought worldwide”

”Now it's again such a stage, that this cannot continue like this. In this you'll burnout.”

Lack of control and ability to compromise

The most important themes discussed with the other design brands were the power allocation within the collaboration and the ability to compromise. The answers to these issues where divided into two groups according to the size of the brands. The smaller design brands seemed extremely flexible and ready to compromise. This was due to the need for collaboration since its benefits were seen valuable, and because they were the least to lose. Therefore, these brands were willing to give up a great amount of the control over their own brands for the sake of the common good. Moreover, these designers were also ready to loose the control over their product designs, if it would be necessary for the collaboration. Nevertheless, they seemed highly to protect their more artistic works, but as to the commercial brands and products they were not so determinate. Therefore, they were even willing to heavily customize their brand identity so that it would fit into the collaboration.

”Why not to have another collection with another brand name to do other works”

Instead, larger design brands were not willing to give up the control over their own brands or products. The lack of flexibility seemed to be due to the fact that their brands had gained some equity and they wanted that to be secured.

”I think everybody trust one’s own [brand]. So it is something I wouldn’t be able to compromise, that I couldn’t participate in if the brand is needed to be changed”

The attitude towards collaborated house brands was more problematic amongst the larger design brands. The collaboration would ease their selling and marketing efforts, as it would ease also the smaller design brands. Yet, it seemed to be difficult for these brands to change their business models onto more collaborative forms. Since collaboration requires a high level of flexibility and an ability to compromise, it seemed more demanding for those brands who have done the work so far with a full control over everything. They felt that design brands are too much struggling alone and collaboration would be needed. However, they did not want to share the benefits and accomplishments equally, but saw partners as a burden when allocating profits. This type of mindset is yet in contradiction with the essence of collaboration and prevent participating in collaboration.

”I think, I could join [the collaboration, when extending onto international markets]. Like, if I could show out my own stuff enough. I’m not interested in what the others are doing. I believe in my thing, so when the real customer comes, they pick my thing. But would they need to take the others’ also? I think I wouldn’t like that much.”

As to the question, how existing distribution channels and retailers could be confronted after joining the collaboration, the smaller design brands were more willing to loose control over their existing distributors and retailers. This was because they would gain more than lose with the collaboration. Yet, the larger design brands would not. However, the other of the larger design brands was willing to add the collaborated house brand into those relationships. In brief, the model seemed to be more suitable for those design brands that were still in the beginning of their businesses.

4.2. Interviewing distributors

The jewelry retailer chains and distributors were included into the research to understand the phenomenon also from the view point of the distribution channel. The main aim was to understand how the retailers elected their suppliers and how they would perceived to work with a collaborated house brand. Retailers were chosen according to their size and brand image. Therefore, the retailers needed to be rather large and represent quality brands. According to these criteria, an independent retailer, wholesaler, and a marketing chain were included in the study. The interviews were conducted in Helsinki, Turku and Mäntsälä. The complete interviewing guides are attached to the appendices (Appendix 3-4).

4.2.1. Results of the interviews

As design brand interviews helped to understand the need for collaborated house brands, the retailer interviews provided understanding how the collaboration should be structured. Therefore, the retailer interviews offered insights to themes such as need for designer collaboration, terms and conditions, number of design brands within a collaboration, commitments and collective promotion.

Criteria for brands and terms and conditions

Quite surprisingly, none of the retailers had experience to work with small design brands. The reason was that no small design brands have contacted them. This is the very issue the collaborated house brand model is aiming to solve. All the interviewed distributors were generally interested in collaborating with small design brands if the products were nice, of good quality, and the price reasonable. However, not all of the retailers and resellers seemed to be adequate partners for the small design brands. For example, the commission of the wholesaler was so high that it was questionable if the small design brands could afford it without the price lifting too high. Therefore, wholesalers which resell the products to other retailers are too expensive. Respectively, for another retailer, the main criteria was the reliability to submit orders large enough and keep up with the delivery time. However, none of the criteria was directly pointing out that the small design brands would not be preferred partners. On the contrary, all the retailers showed to be interest in the branded design collaboration, since it represented a new stabile and persistence way to work with small design brands. Accordingly, there is always a need to find new products and differentiate from others. Therefore, they saw a designer collaboration valuable, since it represents multiple small design brands at a time and eases the retailers to reach them. Furthermore, some interviewees recalled that also customers are increasingly demanding alternatives for well-known traditional Finnish jewelry brands, and they value the background and the designer of the products more than before.

”Customers relate well with small design brands. People want options to these larger Kalevala -jewelries and so on, so that not everybody is wearing the same heart on their neck”

Correspondingly, the terms and conditions altered a lot. Some retailers even considered trading account contracts when beginning to work with new small brands, while others always buy the jewelry in large quantities. Respectively, all sale conditions were different and mostly negotiable. Therefore, neither the criteria for choosing the brands nor the requirements for selling them excluded the possibility for collaborated house brands to work with the larger retailers.

Number of the brands within the collaboration

The number of the possible partners in the collaboration turned out to be a central theme when interviewing distributors. The starting point was to include as many brands as possible to one collaboration, to increase the diversity and resources. However, it was revealed that the number of the design brands needed to be rather small. Some retailers claimed that maximum of design brands was three within collaboration. They argued that more than three brands would cause cannibalism within the collaboration, since brands would start to compete with each other. Yet, one distributor noted that the number of brands could be much more. For example, they had, within a single house brand, multiple brands ranging from clocks to silverware. Consequently, it can be argued that the number of the brands needs to be in proportion to the market segments and the customer needs. In brief, if only presenting jewelry brands, it might be realistic to argue that maybe two or three brands would fit onto one collaboration. Hence, as one interviewee argued, the number of the brands can be much higher if the brands are sufficiently differentiated and satisfying different needs of the markets. Altogether, based on these observations, it can be said that the number of the brands depends on the differentiation of the market segments served.

Commitment

Brand building is not a short-term project. Therefore, the interviewees argued that the brands are required to commit to their retailers to at least for 2-3 years. The commitment is important since the retailers invest in building the brands and making them known. According to the retailers, one year is a short time in such projects and no outcomes can be seen in such a short time. It needs to be defined with whom the retailers see themselves engaging with: with the collaborated house brand or with the small design brands. All the interviewees agreed that the changes within the collaboration would not matter as long as the collaboration is working and existing. Therefore, the commitment was seen to be done between the joint brand and the retailers. The fact that retailers commit themselves with the joint brand, provides individual design brands some freedom. However, as the interviewees noted, the collaboration should be a long-term commitment for all parties.

Promotion

Through engaging with larger retailers and marketing chains, the small design brands can also have an access to their promotion campaigns. The practices of how to conduct the promotion campaigns altered according to each retailer. Some did all the advertising with their own expense, while others always demanded producers to participate in financing the ads. Altogether, if the doors to work with larger retailers are opened with the collaborated house brands, the promotion possibilities can be opened as well. Although the advertising would not be cost-free, the expenses would still be divided between the distributors and the collaborated house brand. This is a remarkable advantage for the small design brands which are often suffering with tight advertising budgets.

4.3. Summary

The interviews reviled the business circumstances of other small design brands and the opinions of the practitioners of the design brand collaboration. The most notable findings of the interviews were the number of brands in a collaboration, length of the commitment of retailer-producer relationships, need for such collaboration, small design brands' readiness to compromise, and the possibilities larger retailers open up (i.e. promotion campaigns). However, since the model is new, the practitioners were unfamiliar with all the possibilities such collaboration could offer. Therefore, most of the findings were rather strengthening my earlier hypothesis of the collaboration than brining up new ones. This is to say that the interviewees admitted that their opinions of the model of collaborated house brand were hypothetical. The opinions could alter according to the partner with whom they were collaborating and the exact circumstances of the very collaboration. However, it was clear that in the small designer driven companies the marketing and selling efforts are demanding and required an enormous part of the designer's time. Thus, there was too little time for designing products. Respectively, the smaller the brand, the greater the need to collaborate. The smaller design brands were therefore more willing to adapt their business to the demands of the collaboration. Although each of the interviewees confirmed the demand for new collaborative models, the model of collaborated house brands can be argued to be more suitable for fairly young design brands.

The retailers' interviews revealed that the need to build bridges between the small design brands and the larger retailers is important for both parties. Retailers constantly search for new products and brands to offer to their own customers. New brands are needed since customers are increasingly aware of the background of the brands and the stories behind the products. Small design brands are wanted but they are not found from the retailer chains, since those brands are not offered to larger retailers. Therefore, the collaborated house brand was well received also from the retailer's side, as it builds the bridge between them and the small design brands. This confirms the need of such brand alliances. With fresh designs and with a strong brand identity, interest to collaborate with designer driven brand alliances would be easily found. The problem is not that the retailers would not want the products of the small design brands to their listings, but none of the small design brands are offering their products to them.

5. The finalized model of collaborated house brand

“Coming together is a beginning, staying together is progress, and working together is success” -Henry Ford

I got the initial spark for my study from the everyday needs in my own design business. The understanding how collaborated house brands should be created were found with literature review and processing the findings with the practitioners. Yet, as the intent was to find new solutions for small design brands, my wish is that one day the findings could be implemented, experimented, and applied to design businesses. Since the beginning, my aim was not to come up with only a written model. I think that for the economists, written theories and verbal explanations of this type of study would be eligible enough outcomes, but for designers it is a different thing. Designers need to be engaged with the theory in visual terms. They want to imagine and illustrate the process and the phenomenon, not only to develop it verbally. Therefore, I wanted to convert the findings into a visual tool to help designers processing their collaborated house brands in real life contexts.

In the beginning of designing the visual tool, I had several concepts how to implement the theory into tangible contexts. What I ended up with, was a concept of the collaboration being a sort of community of neighbors. Some can move in, while others move out. However, these changes happen rather seldom, since buying premises is a long-term commitment. Each neighbor is different, yet the location, atmosphere of the neighborhood, and the style of the house give some common characteristics for the inhabitants living there. Therefore, I am using the framework of block of flats in order to visualize the process of creating new collaborated house brands.

5.1. From theoretical model to a visual tool

The model of collaborated house brands was developed by reviewing literature and interviewing practitioners. As a result, the theoretical model of collaborated house brands was created. Like most of the literature of business models, marketing, and branding, also the theoretical model of collaborated house brands is fulfilling marketers needs, since it is verbally produced and processed. However, this study and its findings are targeted for designers. Respectively, the results need to match with designers' needs. But what are the actual differences between marketers and designers? The answer lies in the problem solving methods. According to Winkel (2012), marketers lean on written theories. They process their problems verbally and literally. Instead, designers rather think abstractly. They have a tendency to visualize their problems. Designers experiment, illustrate, and turn abstract problems into tangible form. Therefore, the brand building process, introduced in this study, also needs to be turned into a visual form. However, written models cannot be discarded. Therefore, a theoretical model of collaborated house brands is created, in order to include detailed instructions of what to take into account when creating such a collaboration. It involves themes, such as partner selection, stating common aims, creating the joint brand identity, and managing the collaboration. In other words, it is the knowledge behind the model. The theoretical model explains what should be done that the collaboration would succeed. The visualized tool is not answering what to do, but how to do it. It is meant to be used when actually starting such a collaboration. It does not tell what should be done to create successful collaboration but provides tools to conduct the process and elaborate the very brand. Most of all, it as a platform for discussion and meant to illustrate the brand building process in designers' terms. Figure 13 illustrates the connection between theoretical model and the visualized tool.

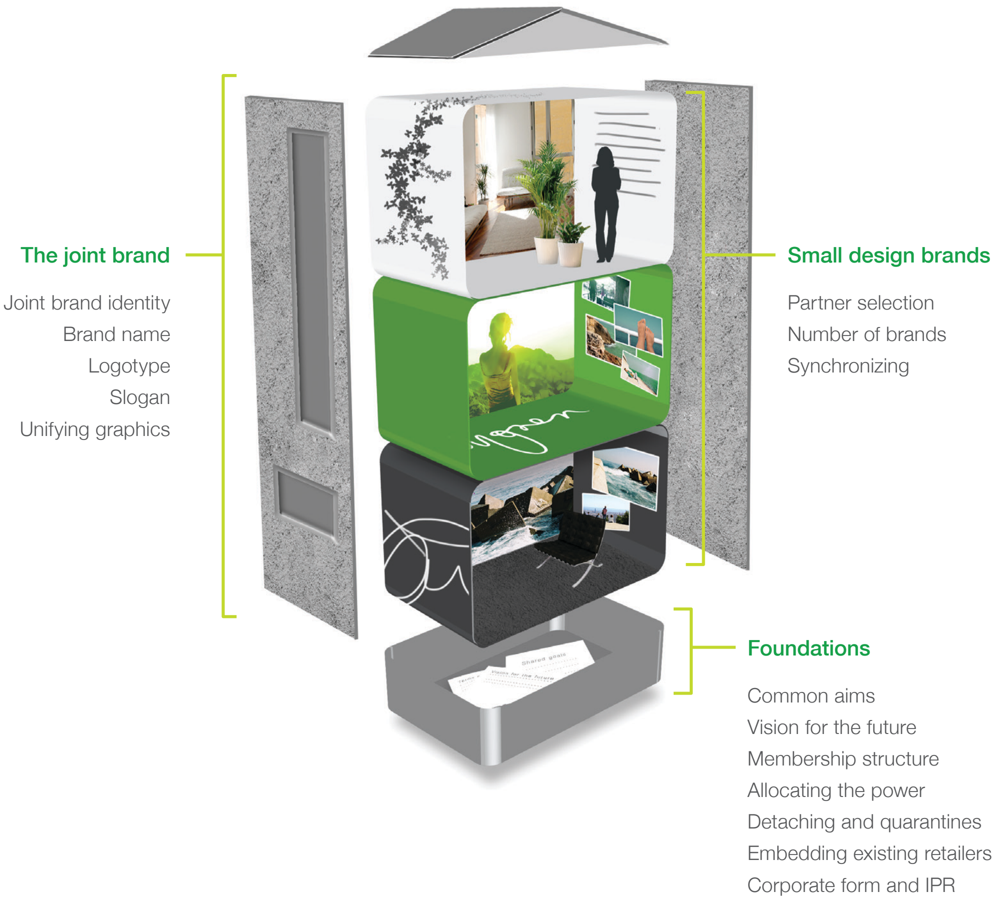


Figure 13 - Elements of the theoretical model embodied into the visualized tool

5.2. A model of collaborated house brand

The model of collaborated house brand is a design collaboration which is branded to communicate coherency and unity. By branding the very collaboration, the small design brands can join their forces, reliabilities, and dynamics into a joint brand, which simplify the creation of distribution channels. Through the collaboration, small design brands can share the workload of marketing and selling, as well as gain negotiating power. In other words, the collaboration is formed to enhance authority and branded to communicate unity in business negotiations with retailers, as well as with other stakeholders (Figure 14).

Figure 14 - Enhancing size and authority of small design brands through branding the collaboration and presenting it as an entity

Stages in the brand building process

The brand building of new collaborated house brands is a process including several stages, such as clarifying own brand, finding suitable partners, synchronizing partnering brands, building foundations, and creating joint brand identity (Figure 15). Each stage explained here is a platform for conversation. They are tasks to be completed before the process can move on to the next phase. However, the whole process is not merely linear. This is to say that earlier steps might need to be fine-tuned after conducting later stages. For example, the partner selection stage might need to be repeated if existing partners cannot find consensus in synchronizing their brands. Correspondingly, changes in partnership might require readapting the common aims and resynchronizing the brands. Therefore, the finalized joint brand needs to be constantly managed and the stages in the brand building process might need to be reiterated.

Figure 15 - The nonlinear process of building collaborated house brands

5.2.1. Stage 1 - Visualizing the own brand block

By using the word ‘visualizing’, I refer to multiple techniques, used by designers. Some of the techniques are, for example, sketching, illustrating, and rendering and making mock-ups, mood boards, and prototypes. With preceding techniques, the brand building process can be visualized instead of writing or explaining it verbally. The intent is to turn the brand identity and the story of the brand into a collection of visualizations. This visualized brand identity is still something more than just the graphical image of the brand. As It should include stories, values, promises, usage situations, and customer segments of the brand. Therefore, it is intended to be like a window into the brand, giving an overall image of what the brand is about with one glance. Although the visualized tool is here presented in a 2D-form, it can be altered when working with the model. The possibilities to work with the tool are anything from 3D cardboard mockups to digital illustrator files or hand drawn posters; what ever seems to be suitable and practical for the collaborating companies.

When creating collaborated house brands, everything begins with clarifying the brand identity of ones own brand. This stage should be rather easy and fast to complete, since no new brands will be created. Therefore, the essence and the core identity of one’s own brand needs to be clear and well articulated in order to understand the criteria of the partners. The first step is to visualize one’s own block. Instead of just adding the logotype, some photos of the products, and the graphical identity of the brand, the overall brand identity and positioning needs to be considered. As Kotler and others (2009) argue, brands can be seen as a holistic, emotional, and intangible experience. Therefore, to visualize the brand identity the ambient, the colors, the lighting, and the atmosphere of the brand should be thought about. As what does the brand promise? Who are the customers? In which type of apartment would they live in? What are their values? If there are no answers, the answers should be found. Market and customer analysis need to be critically and consistently conducted to create strong brand positioning. The techniques (i.e. sketching, illustrating, rendering, building mockups) are many and the content of the apartment is free. The importance is not in the techniques but in communication. This means that the apartment should communicate everything central for the brand at a glance (Figure 16). One should be specific, since if the collaborative partners will not understand the essence of the brand, they cannot value it either. Although polishing the brand identity is necessary, it must to be kept in mind that the brand will soon go through a remarkable resetting in order to match it with the other brands. Therefore, an open mind and compromising attitude are important.

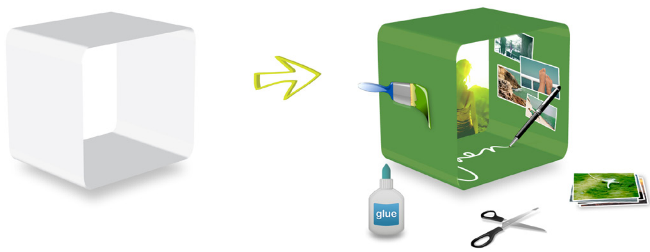


Figure 16 - With a box and multiple visualization techniques the brand identity can be communicated to other parties

5.2.2. Stage 2 - Partner selection

When interviewing practitioners, they argued that many issues depended on with whom they would be collaborating. That is most certainly true, since collaboration is a sum of its parts. This means that the partner selection highly determines the success of the collaboration and the essence of the joint venture. According to Knudsen and others (1997), finding suitable partners involves analyzing them according to their brand identities, product offerings, market segments, distribution channels, business models, challenges, as well as the human factors. Collaboration is demanding and therefore all possible stumbling blocks should be removed (Huxham & Vangen 2005). This includes avoiding to collaborate with those one feels uncomfortable with. Respectively, the partners should deal with similar business circumstances and challenges in order to ease the creation of common aims (Knudsen et al. 1997). That is why the criteria for partner selection need to be evaluated case by case. As understood through interviewing practitioners, the question about coherence versus differentiation is in the essence of the collaboration. Without shared values and shared identity, the collaborated brand cannot become strong and united. Hence, clear differentiation helps avoiding brand anarchy and brand cannibalism. It is about selecting right partners and searching for similarities from the diversity.

Coherence versus differentiation

In brand alliance literature, one thing is constantly highlighted: the effect of brand complementarity in the success of brand alliances. The core of differentiation is in the analysis of the market segments. Therefore, each brand in a collaboration should have its own market segment. Diversities in market segments reduce the competition within collaboration, as the brands are not pursuing same customers. On one hand, the common customer base expands, as more customers find products fulfilling their needs. On the other hand, retailers get wider selection of products and brands to offer their own customers. Therefore, each brand within the collaboration is rather supporting others than weakening them through competition. In the collaborated house brand model, the brand positioning should be considered to embed position differentiators, such as product characteristics (i.e. functionality, modernism, romanticism), or different product lines (i.e. jewelry, watches, tableware). Therefore, the challenge is to find partners that have compatible and coherent brand identities, yet provide differentiation and variety in their product offerings.

Number of the partners

Through analyzing the differentiation of possible brand partners, their number can be defined. Some interviewed retailers argued that in maximum, three brands could be presented within one collaborated house brand to distinguish each brand from another. Yet, one distributor disagreed with this assumption by arguing that it is not about the number of the brands but the differentiation of them what matters. According to her, the amount of brands was not the important factor, but the spectrum of different needs to be satisfied. The argument of maximum of three brands is then justifiable when the three represent the same product category. Although the brands would represent the same product category (i.e. silver jewelry) they need to be positioned differently (i.e. romantic, masculine, rock, sophisticated). However, the number of the brands can be increased along with the product categories (Figure 17). Nevertheless, the brands should be sold to the same retailers, since the aim of collaboration is to reduce selling and marketing efforts. This core aim will be disseminated if the selling and marketing actions increase in the same proportion with the number of the partnering brands.

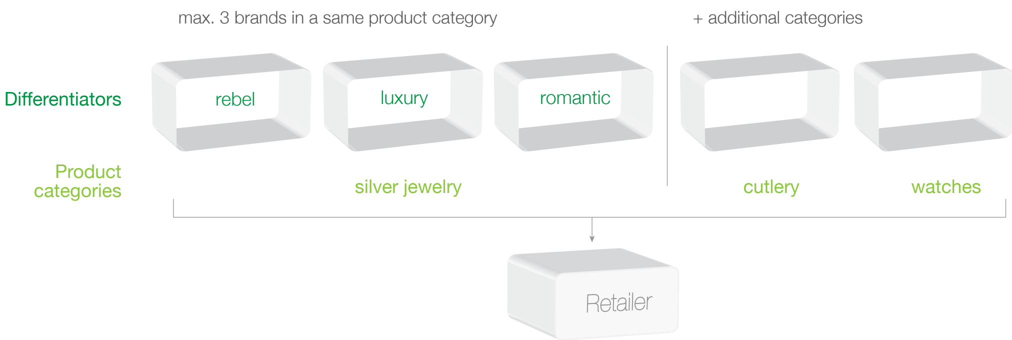


Figure 17 - Number of partnering brands in a same collaboration

Visualizing the partnering brands

The process of visualizing the partnering brands involves illustrating all the possible partners (Figure 18). The partner selection process can be started with some brand taking the lead and mapping the possible partners. The selected brands can then be roughly visualized to ease the selection. Through visualizing partners, the issues of coherence versus differentiation can be analyzed in a practical manner, as those attributes become visible and identified. This is due to the designers' ability to understand compatibilities of graphical compositions. In other words, designers have skills to see which visual elements fit together. This same skill is used to analyze the compatibility of the visualized brand blocks. Through distinguishing possible partners and outlining their differences, the best assemblage of the brand partners can be identified.

Figure 18 - Visualizing and selecting the partners

5.2.3. Stage 3 - Synchronizing the partnering brands

The next step is the most challenging in the whole process as it is mainly about compromising for a common good. At this point, the most appropriate partners have been chosen. Yet, their brand identities need to be synchronized to create a balanced brand entity (Figure 19). Although the brands were selected according to their coherence and differentiation, they most likely are not to be merged without changes, as they were not created in the first place to fit together. Therefore, the core intent of this stage is to find consensus between individual design brands and with the ensemble they form together. Each brand should clarify the market segments and customer needs they are focusing. This involves modifying the brand images, brand positioning, values, customers and segments. In other words, the previous stages need to be repeated. Yet, at this time, the modifications need to be done collectively. Therefore, to compromise is one of the main characteristics of this stage. Finding consensus is indispensable for the collaboration to function. Hence, if consensus cannot be found, the earlier stage of partner selection might need to be repeated.

Figure 19 - Synchronizing the brands for alignment

5.2.4. Stage 4 - Collaboration aims and management

Common aims and vision for the future

The collaboration will not take place without a shared vision of their existence (Huxham & Vangen 2005). Moreover, the partners cannot engage to the collaboration without knowing what they are collectively reaching. Therefore, clearly stated aims are essential when starting the collaboration. Although to collectively build distribution channels is a central aim for the collaborated house brands, it yet might not be the only aim. There might be also individual aims besides the collectively shared. Some aims might also be hidden, not recognized, or assumed

(Huxham & Vangen 2005). This complexity often makes the process of stating the aims rather difficult. However, defining and agreeing the aims is essential for the collaboration to function (Huxham & Vangen 2005). In the case of the collaborated house brands, the aims can be, for instance, to enlarge market segments, share risks, achieve economies of scale, or access new funding possibilities. However, it depends on partnering brands, what they want to achieve with the collaboration.

The future vision of the collaboration is important, besides the existing business circumstances and challenges. The vision for the future is bound with the common aims, since both are describing what the collaboration is ultimately reaching for. For example, if two companies have different long-term objectives, they are most likely running into trouble as fast as these differences come into surface. In the interviewees such objectives were, for example, globalization or onto which markets to expand after the first collective conquers. Therefore, the foundation for any collaboration needs to be considered based on the existing needs as well as on the long-term visions of each company.

Business management for the collaborated house brands

Collaboration needs to be managed just as any other business venture (Huxham & Vangen 2005). There needs to be agreements and contracts about rights and responsibilities of each member. The good management and well thought contracts provide security and clarity for the collaboration. Comprehensive terms and conditions define what the collaboration is demanding from its members, what they are benefiting from it, and the legal rights and limitations. However, each collaboration is different which effects that there cannot exist ready contracts for the collaborated house brands. Therefore, the aim for this stage is to provide a framework which helps to define terms and conditions.

Decision making

Collaborative decision are often done without each member fully agreeing them. Therefore, it is unavoidable that individual design brands loose some of the control over their own brands. Individual design brands have yet equally possibilities to affect the big picture of the collaborated brand identity, and, consequently, also the alignments of their own brands. Anyway, some of the control will be lost. This points out the significance of compromising in collaborative ventures. According to the interviewees, the ability to compromise seems to be in relation with the demand for collaboration. In other words, the positive mindset towards collaboration and the urge to make it work generates flexibility. Hence, all interviewees agreed that compromising is essential for collaboration to succeed.

Membership structure and roles in collaboration

Each member has various strengths and weaknesses. As the core of collaboration is to allocate duties, the responsibilities need to be divided accordingly. The possible responsibilities and roles are such as leader, sales person, graphic designer, accounting, and such. The role allocation may easily happen if the partners have clear and differentiated strengths. However, in designer collaboration, it is more likely that the situation is the opposite because many are struggling with same kind of selling and marketing tasks. Therefore, one possibility is to divide the tasks (i.e. selling the products to retailers) according to geographical location (Figure 20) or equally among the partnering brands (Figure 21). Each member needs to manage some manufacturer-retailer relationships, yet the number of the retailers to be managed is reduced. Thereby, each member is representing the whole collaboration and has the rights to speak. All benefit from the others' selling efforts equally. In this way, the duties are fairly divided, as well as the benefits. This highlights the importance of trust in collaboration. Each partner needs to trust that the brands are equally presented without favoring any of them. However, if some partners are selling their own brands better with their own retailers, the fairness can be questioned. Nevertheless, all partners need to understand that by exploiting the system they endanger the collaboration. Hence, if the collaboration is vital for the partners, the mistrustful behavior is less presumed.

Figure 20 - Reducing marketing and selling tasks by allocating the retailers geographically

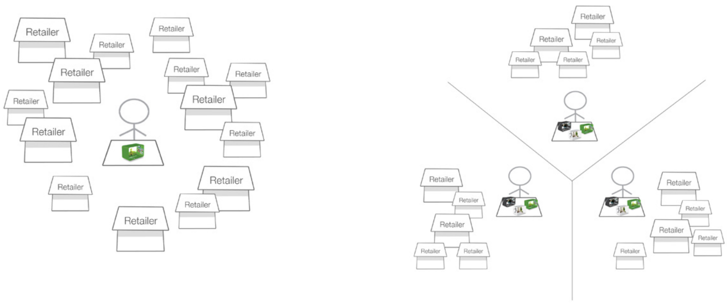


Figure 21 - Reducing marketing and selling tasks by allocating the retailers equally

Although most of the tasks can be divided among the members, it has been argued that collaboration still needs a person to manage it. The same argument can be adapted to the collaborated house brands. Kapferer (2008, 355) points out that there cannot be master brands without the brand masters. According to him, the brand master is a guardian of the brand who ensures the coherence across all the brand levels. Kapferer adds that in some companies the power can be allocated between different business unit managers who together form a committee to manage the brand. The decision either to name a person to lead the collaboration or to allocate the leadership among the partners, depends on the characteristics of the partners and their relationships. However, the roles to be allocated and the way to do the division need to be discussed, analyzed, and agreed.

Joining and detaching from the collaboration

One of the most fundamental questions, when starting a collaboration, is the ability to detach if necessary. Respectively, new members need to be able to be jointed in the future. The latter process is mainly the same when brands are joining in the beginning of the collaboration. Coherence and differentiation need to be thoroughly addressed, as to newly agree on the common aims. Instead, detaching from the collaboration demands more management and guidance. The objectives are that brands would not get diluted in the process, collectively done work will not become exploited, and the collaboration can continue to operate after the divergence. The endorsing brand strategy quite well protects the brands within the collaboration, since each brand remains individual. However, the members need to find consensus how the process of diverging will be actually done. For example, the exploitation of collectively done work can be avoided by placing the members under quarantines if diverging from the collaboration. This need was also stated and agreed among the practitioners when interviewing them. To place quarantines mean that members loose their rights to work with those distributors that have been collectively obtained. The partners can define the length and the coverage of the quarantines. Nevertheless, these issues need to be reviewed to ensure that each member can freely work for the common good, without any fear of someone exploiting their efforts.

Attaching existing distributors

Attachment of existing distributors should also be considered, since the collaborated house brands are about building distribution channels collectively. According to the interviewees, the willingness to share their existing distributors with the other members depends on the importance of those stakeholders. Therefore, the ones that were not satisfied with their existing distributors were willing to loose the privilege over them for the common good. However, the members are required to discuss how to attach all selling efforts to the collaboration.

Corporate form

Cooperative corporate form seems to be the most suitable one for collaborated house brands. Advisory Board of Cooperatives (Osuustoiminnan neuvottelukunta 1996) explains cooperatives to be an autonomous communities including voluntarily joined members. The members conduct economic, social, and cultural needs and aspirations through jointly owned and democratically controlled enterprises. The main reason for cooperatives to provide the best platform for the very collaboration is its flexibility. Cooperatives allow the members to withdraw when needed and new members to be included. This is not easily executed with other kinds of corporate forms. In cooperatives, each member has a right to vote and the decisions are made democratically. The members also contribute equally to the accumulation of the capital as well as share the ownership. Cooperatives are independent organizations which consist either of individuals or corporate bodies. This duality in ownership and its democratic management differentiates cooperatives from other capital companies and state enterprises. Each cooperative is as an enterprise in the sense that it is an organized unit which normally operates also in markets. Therefore, the cooperative also needs efficiently serve its members (Osuustoiminnan neuvottelukunta 1996). For collaborated house brands, cooperatives provide a perfect platform with its flexibility and democratic and collective administration. Respectively, the clear and legally valid corporate form provides security and credibility for retailers and for the other parties working with the collaboration. Therefore, it is an important issue to agree when building new collaborated house brands.

Intellectual property rights

Since all the members in the collaboration are legal enterprises, each of them owns the intellectual property rights (IPR) of one's own designs and brands. Therefore, the collaboration only possesses IPR for its own brand, not for the sub-brands. Respectively, as the collaboration is formed with a legal company form, not just upon a joint agreement, the IPR of the collective property is naturally owned by the cooperative. The division between collective property and individual properties should be clear, since the product development is individually done within the design brands.

Visualizing common aims and joint brand management

The foundations for collaborated house brands are build with common aims, agreements, and visions of the very collaboration, as explained above (Figure 22). This stage is about creating a solid base for the existence, management, and future visions. The box can be filled up with written agreements, as well as with sketches, illustrations and photos. For instance, the vision of how the brands are changing because of the collaboration can be illustrated and added to the box. The themes described above, such as reasons for the existence of the collaboration, the terms and conditions to join in or to detach from it, and how to manage the collaboration need be discussed, agreed, and added to the box. After this stage, all the partners should now know what their collaboration is aiming at, why, and how to get there.

Figure 22 - Building the foundations for the collaboration (i.e. stating common aims, imagining the future, agreeing in terms and conditions)

5.2.5. Stage 5 - The joint brand identity

Although the individual design brands are playing the driver role, and the collaborated house brand is only an endorser, it still needs a value platform and a brand identity to reach its full potential (Kotler et al. 2009). Since the individual design brands create distinction and differentiation, the brand identity of an endorsing collaborated house brand need to be something that all the sub-brands can share and identify with. Such things are, for example, ethics, ecological values, innovations, and technological advancement (Kapferer 2008). Those values needs to be identified and agreed in order to communicate them properly. Besides shared values, the collaboration needs to involve a shared brand identity. A clearly defined and communicated brand identity is important for brand alliances because of the multiplicity of partners. Without deep comprehension of the shared brand's identity, the joint brand has highly risks to perish. If the members do not thoroughly understand their joint brand identity, their diversified joint brand communication will create brand anarchy. Therefore, the value of a well-defined and communicated brand identity does not lean only on the external communications but also on the internal (Aaker 1996).

Defining the meaning of collaboration

People, programs, and values within collaboration can help to form a slogan for the joint brand (Aaker 2012). According to some interviewees, companies are increasingly expected to be transparent and open. Collaboration as a business term might be seen 'bland'. However, by more carefully looking at the term, many warm, kind, and soft attributes can be found, such as fellowship and community. People want to be a part of a bigger picture (Booth 2012). Furthermore, customers rather attach themselves to emotional and self-expressive benefits of the brand than functional benefits of the product (Aaker 2012). To create a strong collaborated house brand identity, the members need to collectively form a slogan that comprehensively answers to the question 'what does our joint brand stand for'. The slogan is closely related to the common aims of the collaboration. However, it is rather a polished statement created for the external and the internal communication, not an agreement of strategic intentions. All the partners and employees need to easily recall the answer if the brand identity is wished to become strong (Aaker 1996). Such an answer could be ”our collaborated house brand stands for leadership in design and for the fellowship among the members, as well as among our retailers and customers”.

Streamlining graphical communication

The joint brand positioning (the part of the brand identity to be actively communicated) cannot be only verbal. The joint brand needs to be included in all the graphical communication of the collaboration and its design brands. Kapferer (2008,173) argue that when the brand’s essence and true values are clearly defined, the graphic identity has more potential to become a powerful tool to communicate the brand positioning at one glance. This is to say that the brand identity needs to be first defined to be able to embed the whole scope of brand values to the graphical identity. Therefore, the creation of the brand name and a logotype has been delayed in the process. Respectively, the joint brand logotype needs to be compatible with the design brands. Also all the graphical communications needs to be streamlined and the joint brand to be equally marked in every context. In other words, all the print materials, store displays, websites, only to name a few, need to be aligned. Accordingly, the balance between coherence and differentiation should be consistently taken care of.

Visualizing the joint brand identity

The shared brand identity and brand image can be visualized by creating a facade for the house brand. This task can be eased by starting the process with an architectural style so that all brand blocks fit into it. The architectural style can be functionalism, modern, rural, romantic, industrial, or some alike. Hence, the architectural style alone is not sufficient, since brands are not only imagery sceneries but sets of values and promises. Therefore, the architectural style is only a starting point when visualizing the collaborated brand. Accordingly, the facade for the collaboration, which is the joint brand identity, should be completed with more profound attributes. As in the previous stages, the brand visualization is done with any technique suitable, i.e. illustrating, sketching, rendering, and building mockups. Furthermore, the house brand has to have an address, a slogan, which defines the meaning of the collaboration. Finally, the name of the house, that is, the brand name and the logo, can be created (Figure 23). As a result, the collaboration has a brand name, graphical identity, coherent joint brand positioning, value platform and statement for its existence.

Figure 23 - Visualizing the joint brand positioning and defining the name and a slogan of the house brand

5.3. Summary

By completing the five stages and finalizing the process, the collaboration has a coherent joint brand identity which incorporates a set of individual design brands that have been synchronized to fit. In some, all the partners should now know by heart what their joint brand stands for, what it promises for their customers, and what are the core features the brand should guard and communicate. The coherence obtained in synchronizing the individual brands and creating a solid joint brand identity, facilitates the collaboration to be considered as one uniform entity. The individual design brands speak of diversity while the branded collaboration speaks about unity. However, the new collaborated house brand is not yet ready. Building a new brand is a long-term process which involves continuous interaction with diverse stake holders, such as customers, media, and retailers. Hence, the basics for a collaboratively owned and managed house brand has been created, and the keys have been handed to the new inhabitants. The collective distribution channel building process can begin.

6. Discussion

In this MA thesis, I have developed a model of collaborated house brand for small design brands to reach the mass markets by adopting theories of branding to design collaboration. The need to collaborate was uncovered when working with my own design brand. Many small design brands struggle with diverse issues, such as lack of marketing and selling skills, difficulties to build distribution channels, and lack of resources to invest in large enough stocks, demanded for trading account contracts. In these tasks, small design brands need support and, consequently, collaboration is here suggested as a solution. However, the existing models of design collaboration are not generally meant for reaching mass markets. To facilitate of building the distribution channels, I studied possibilities to collaborate in terms of branding. I describe this as a collaborated house brand. Because of the house brand, retailers would consider the collaboration of small design brands as one 'company'. That would reduce the selling and marketing tasks and enhance the authority of the small design brands.

The main aim was to find an eligible branding strategy for establishing the collaborated house brand. Moreover, creation and management of such collaboration had to be defined and tools for the brand building process needed to be designed. Since such models did not exists, I built the model on the grounds of certain existing theories and using interviews of the practitioners as a support. The theories I reviewed consisted of collaboration, brand architectures, and brand alliances. Based on them, an outline for the model of collaborated house brand was formed. This new joint brand is suggested to be an endorser that would support and reinforce the credibility of the collaborating design brands. It should be called with an new and independent name without interconnections to partnering design brands, allowing the design brands maintain their individuality and autonomy. The outline of the model was then presented to the practitioners of small design brands and larger retailers, in order to hear their opinions and improvement suggestions. Because of the novelty of the model and the unfamiliarity of the practitioners, the interviews predominantly resulted in strengthening my assumptions of the utility of the model, and resulting only some new insights how to build the model. The interviews were useful in order to discover the willingness of the designers to synchronize their brands, the retailers' considerations about the model, and criteria for the collaboration. Along with the opinions of the practitioners, the model of the collaborated house brands was finalized.

The model involves a brand building process of five stages. In addition, it includes a visualized tool. With it, the designer-alike way of working with illustrations, sketches, and models was incorporated to the brand building process. The model is meant both to start the collaboration and provide a platform to proceed the five stages. Without the tool, designers might discard the theoretical model, as they sometimes do with purely theoretical marketing literature. Otherwise, the 'practice-based' designers would keep on experimenting new business strategies while readymade but more theoretical solutions would wait unexploited.

Although the final branding strategies were quite aligned with my initial hypothesis, some of the responses of the practitioners interviewed were unexpected. It was surprising how flexible and willing the small design brands were, since compromising in branding issues were assumed to be challenging. This willingness to compromise seemed to be affected by the real need for such collaboration. Also the retailers' open-mindedness was unexpected. Instead of interviewing retailers who would be suspicious of working with small design companies, I came across business partners that were equally searching for new opportunities. Because of the both parties' need to work across boundaries, the collaborated house brand was well received. On one hand, this was due to that the retailers considered working with the design collaboration more secure than working with each of the small and unknown design brands independently. On the other hand, by working within the collaborated house brand, the designers would gain extra confidence and resources, needed to market their offerings to larger retailers. In brief, the model of collaborated house brand builds the required bridge between the retailers and the small design brands.

To see the long-term effects of the collaborated house brands, the model should be piloted. This piloting would offer deeper understanding of the stages of the process and challenges and advantages of the collaboration. However, this was not possible in this context, due to the limited time dedicated for the master's thesis. The kind of piloting should be a long-term project. In addition, it would not have been enough to imitate the process with imaginary brands. To understand the actual difficulties in compromising and synchronizing the brands, there should have been involved real partners. Furthermore, piloting the model would have require commitment to the process in order to see the actual effects on building the distribution channels in a long run. For the further studies, piloting the model would be an interesting possibility.

"If someone would have had on a tray all these answers, which we have learned through working, it would had helped" - Owner of a small design brand

This study aim at opening a debate to better understand and respond to the needs of small design enterprises. Designers need new marketing strategies and business models dedicated to their special needs, without forgetting their abilities and strengths in visualizing problems and processes. Accordingly, the significance of this thesis is two-fold: focusing on designers' special needs and creating a visualized tool for processing the collaborative brand building. With the theoretical model, the designers are offered new ways to reach their full potential. Respectively, because of the visual tool, the designers are equipped with instruments how to do it. Because the model is created for real design businesses it is meant to be implemented. By taking the model into practise, the benefits and advantages of the study can be discovered. In addition, by using the model in real design business circumstances, new ways to use it can be found. Although the model is created for small design brands, it might be applicable to other business contexts as well. Yet, the possibilities to use the model in new contexts can be only discovered by experimenting and working with it. The road has now been signposted. It is time to begin the journey to growth!

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Appendix 1 - Interviewees

Small design brands

Tiia Arkko, Tiia Arkko Design	29.10.2012
Charlotta Eskola, Lorukoru Oy	05.11.2012
Heli Kauhanen, Spoonfull Design	05.11.2012
Anna-Kaisa Laakso, Platinoro Oy	15.11.2012

Retailers

Tero Lauttanen, Suomen Korutuote Oy	28.11.2012
Arja Karvonen, Kultasydän Oy	28.11.2012
Hanna Paalumäki, Timanttiset Oy	19.11.2012

Appendix 2 - Interviewing guide for design brands

Aalto University
School of Arts, Design
and Architecture

Interviewing guide - design brands

I. Company

History, brand values and future vision?

How many employees?

Who in charge of managing the brand and building the distribution channels?

Marketing knowledge?

II. Existing distribution channels

Where the products are sold at the moment?

Which retailer types have been the best ones?

Intentions to reach mass markets?

Satisfaction with existing distributor channels?

Future objectives for distribution channel building?

III. Collaborations

Participation in collaboration now or in the past?

What kind of designer collaborations knows?

What benefits or challenges knows those having?

IV. Collaborated house brand

Benefits? (efficiency, logistics, promotions, sharing risks and resources, learning, visibility)

Challenges?

- Loosing control?
- Diverging from the collaboration?
- Effects on own brand?
- Power allocation?

Interest towards collaborated house brands?

Appendix 3 - Interviewing guide for retailer chains

Aalto University
School of Arts, Design and Architecture

Interviewing guide - retailer chains

I. Company

History and brand values?

If a retailer chain, how connected to other retailers and to the umbrella brand?

II. Criteria for jewelry brands

By which criteria the products to be sold are chosen?

Terms and conditions and quantities?

Is there a nationwide program? How does it work?

Are some suppliers favored over others? (manufacturers, wholesalers, importers, agents, etc.)

Attitude towards small design brands? Experiences and demand?

III. Promotions

Promotions nationwide or store-specific?

Terms and conditions in promotions? How brands chosen?

IV. Retailer space

How much space for each brand?

Possibilities to differentiate? Own stands?

Who is in charge for designing the retail space?

V. Collaborated house brand

How many brands one supplier could present?

For how long each brand would need to be available?

Interest to collaborate with collaborated house brand?

Appendix 4 - Interviewing guide for wholesalers

Aalto University
School of Arts, Design
and Architecture

Interviewing guide - wholesalers

I. Company

History and brand values?

Which brands are presented at the moment?

II. Criteria for jewelry brands

By which criteria the products to be sold are chosen?

Terms and conditions and quantities?

Attitude towards finnish design brands? Experiences and demand?

III. Sales

How many brands can be presented?

To whom are you selling?

How brands are presented?

IV. Promotions

What type of advertising?

How brands to be advertised are chosen?

V. Collaborated house brand

How many brands one wholesaler could present?

For how long each brand would need to be available?

Interest to collaborate with collaborated house brand?